Purchasing Week

McGRAW-HILL'S NATIONAL NEWSPAPER OF PURCHASING 14 15 17 22

Vol. 3, No. 28

New York, N. Y., July 11, 1960

\$6 A YEAR U.S. \$25 A YEAR

Vendors Blue-Pencil 'Fictitious' Lists, Discour

KEY FACTS ABOUT NEW PRICE POLICIES

1. What Vendors Are Doing

- Revising handbook prices —
- usually downward.

 Simplifying cumbersome discount plans and structures.
- Studying and changing old "excharges.
- Smoothing out or dropping "re-gional" differences.

2. Who's Doing It

- Electrical equipment firms.
- Steel warehouses.
- Fastener manufacturers.
- Copper & brass mills.
- Plumbing supply companies.
- Electronic component makers.

3. What's Behind It

- Disbelief and chaos in current list
- prices. Import prices magnifying ficti-tious U.S. lists.
- Crackdowns by the Justice Dept. and FTC
- Price stability offers right time for

Pressure on Inventories Keeps Eastern Railroads Business Barometers Steady Huddleto Consider

New York-Industrial purchasers still have the holddown sign on inventories although there's hope brewing among some manufacturers that a buying pickup will develop soon.

Late reports, showing both physical volume and days' supply in key hard goods areas unchanged from previous month levels, highlight PURCHASING WEEK's quarterly roundup of leading business indicators. The barometers indicate over-all that economic activity

GE Accuses Competitors

Of Fanning Strike Fears

As Contract Talks Loom

Co. has accused some of its com-

been helping warn our customers as to the supposed certainty of

a strike here.
"As a result," they added, "to

the extent customers have be-

GE stated that International

(Turn to page 29, column 3)

New York-General Electric

should remain stable throughout most of the third quarter.

of PW's 13 key indicators, these five point to level activity —Price Barometer, Day's Supply; Ratio: Stock/Orders; Machine Tool Orders; and Housing Starts. Another five indicate some unward movement. some upward movement-Overtime Hour Index; Business Births; Business Failures (declined); In-dustrial Stock Prices; and Plant & Equipment Spending. But offsetting some of this good news are weaknesses in Ratio: New Orders/Sales; Construction Awards; and Consumer Atti-

Here's how the specific areas shape up:

• INVENTORIES supply in hard goods industries competitors they consider more remains stable at 64 days. That's likely to be able to make derelatively low compared to nor-livery." al post-war holdings during a (Turn to page 4, column 3)

Next Rate Moves New York-Traffic representa-

tives from revenue-starved Eastern railroads will try to hammer out a "concrete solution to our rate problems" this week at a three-day meeting of the Traffic Executives Assn. here. The 28-member group will at-

tempt to assess some of the re-sults of a two-week "self analysis" program held late last month. Each line had agreed to probe its own operations to come up with specific cost-cutting proposals. Such action was needed, the petitors of taking unfair advan-tage of union strike talk to take business away from the firm. roads indicated, in order to help pay for recent wage hikes totaling \$200-million. GE officials charged that some of these companies "have taken a cue from the union and have

We needed additional sources (Turn to page 30, column 3)

Wage-Price Review Bill Gets New Lease on Life

Washington-The issue government review of major price lieved the story, some have been ordering heavy equipment from

government review of major price and wage increases has been re-vived again in Congress. A Senate banking subcom-mittee, in the closing days before Congressional recess, passed such a measure sponsored by Sen. Joseph S. Clark (D-Pa.). One basic reason for the legislation: to have a weapon ready in case of a (Turn to page 30, column 3)

Seams Logical

Washington-Rexford Wes-

Washington—Rexford Wessells, procurement officer for the Washington Police Department, made sure there wouldn't be any red faces among D.C.'s men in blue.

Wessells discovered after ordering 1,400 pairs of non-splittable summer trousers that the seams on the first shipment were sewn with cotton thread, instead of silk as specified in the contract, and that some already were popping. already were popping. Wessells sent them all back

to avoid any embarrassing in-

New Synthetics Company Bounces IntoRubberField

New York-The high-price, ticklish-supply situation in na-tural rubber has brought at brand new entry into the synthetic field:

This Week's

Devise More Realistic **Quotations to Counter** Growing P.A. Cynicism

New York-A quiet revolution toward a more realistic pricing policy is gaining headway throughout industry. In a determined effort to regain buying confidence, many vendors are gradually revising their list prices to bring them more in line with what buyers are actually paying.

One electrical equipment dustry executive summed up the situation this way: "We have reached a state today where most list prices mean absolutely nothing to a buyer—not even a point from which to negotiate. And that's a pretty poor state to be in.

The chart at the left demonstrates how (and why) the current drive toward "realistic pricing" by industry is gaining momentum. Although the campaign is just beginning to gather steam, it already is producing major changes in some industries. For example:

• Electrical Equipment: General Electric Co. has taken the lead in a major pricing policy change aimed, basically, at stabilizing prices at "market-generated levels." The new policy would levels." The new policy would give buyers the "correct valuein-use price and eliminate wholesale discounting of book prices' (see PW, May 16, '60, p. 1).

GE's medium transformer de-partment (Rome, Ga.) and ca-pacitor department (Schenectady, pacitor department (School of N.Y.) initiated the policy change by revising handbook prices. "And we will continue to do so," one company executive ex-plained, "anytime the book price does not conform to the realistic market level. We want buyers to American Rubber & Chemical Co. It's slated to go into production in Louisville, Ky., in about 15 months at an initial annual rate of 30,000 long tons.

Joint owners of the new firm are Stauffer Chemical Co. and (Turn to page 30, column 4)

To be company executive explained, "anytime the book price does not conform to the realistic market level. We want buyers to have confidence in our prices so that we can spend more time discussing quality, service, and other important buying factors rather (Turn to page 29, column 1)

P/W PANORAMA

- There's No Excuse for failing to know what's in any contract you sign. The law says that unless there's evidence of fraud, your signature is binding—whether you know the contents of contract or not. See "The Law and You", p. 28.
- Straight-From-the-Shoulder dealings with suppliers is one of the things credited by Avon Products for its success. The centerspread on pages 18-19 tells how Avon uses this approach—and makes its vendors a part of the Avon team.
- Building a Tent City for 56,000 persons is a king-size version of the sort of job many P.A.'s tackle in the form of stockholders' meetings and conventions. Page 6 tells how Boy Scout executives did it with best purchasing techniques.
- Consumers Have Jingling Pockets, but they're getting a bit jittery about the future and are tempering their buying plans accordingly. That's the gist of a University of Michigan survey of consumer attitudes. For the details, see p. 3.



HILLER hops into executive air-craft field. Four-place, \$69,960 EE4 makes debut ever San Francisco's Candlestick Stadium

Purchasing Perspective

JULY 11-17

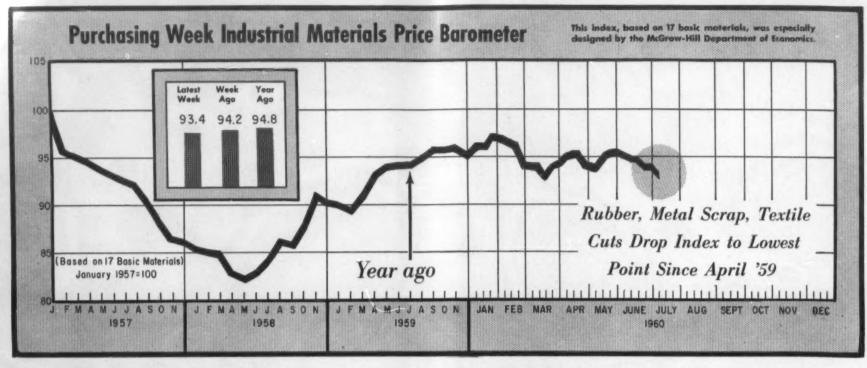
SCRAP FORECAST-A West Coast P.A. who, despite a healthy order backlog, began cutting down on steel purchases early last winter when most buyers were still scrambling for more, credits his inventory success to careful analysis of steel scrap prices.

Although he keeps his canny eye on other economic indicators as well, this steel buyer claims his scrap price "index" is a good barometer of business conditions six months in the future.

What's his current outlook a la scrap? This purchasing forecaster sees a general business upturn coming within a few months after a leveling off in the currently declining scrap market (see steel scrap story on page 4).

PRICES AND POLITICS—The power of government and politics should never be underestimated in consideration of price trends and pricing policies.

(Turn to page 30, column 1)



This	Wee	eks	Commo	odity	Prices

This week's Comm	oaity	Price	:5	100
METALS	July 6 J	une 29	Year	% Yrly Change
Pig iron, Bessemer, Pitts., gross ton. Pig iron, basic, valley, gross ton. Steel, billets, Pitts., net ton. Steel, structural shapes, Pitts., cwt. Steel, structural shapes, Los Angeles, cwt. Steel, bars, del., Phila., cwt. Steel, bars, Pitts., cwt. Steel, plates, Chicago, cwt. Steel, plates, Chicago, cwt. Steel scrap, #1 heavy, del. Pitts., gross ton. Steel scrap, #1 heavy, del. Cleve., gross ton.	67.00 66.00 80.00 5.50 6.20 5.975 5.675 5.30 30.00 30.00	67.00 66.00 80.00 5.50 6.20 5.975 5.675 5.30 30.00 30.00	67.00 66.00 80.00 5.50 6.20 5.975 5.675 5.30 40.00 38.00	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
Steel scrap, #1 heavy, del. Chicago, gross ton. Aluminum, pig, lb. Secondary aluminum, #380 lb. Copper, electrolytic, wire bars, refinery, lb. Copper scrap, #2, smelters price, lb.	29.00 .26 .24 .326 .245	29.00 .26 .24 .326 .245	36.00 .247 .238 .31 .235	+ .8 + 5.2
Lead, common, N.Y., lb	.12 .74 1.026 .13	.12 .74 1.019 .13	.12 .74 1.029 .11	0 0 3 +18.2
Fuel oil #6 or Bunker C, Gulf, bbl	2.20 2.47 2.15 .035	2.20 2.47 2.15 .035	2.00 2.37 2.15 .04	$+10.0 \\ +4.8 \\ 0 \\ -12.4$
Gasoline, 91 oct. reg., Chicago, tank car, gal	.12 .107 .09 .085	.12 .108 .09 .085	.115 .12 .081 .091	$-10.8 \\ +11.1$
CHEMICALS				
Ammonia, anhydros, refrigeration, tanks, ton	90.50 .34 4.80 .153 .293	90.50 .34 4.80 .153 .293	90.50 .31 4.80 .193 .278	
Linseed oil, raw, in drums, carlots, lb Phthalic anhydride, tanks, lb Polyethylene resin, high pressure molding, carlots, lb Rosin, W.G. grade, carlots, fob N.Y. cwt Shellac, T.N., N.Y. lb	.168 .185 .325 14.25 .31	.168 .165 .325 14.25 .31	.16 .165 .35 9.85 .30	+ 5.0 +12.1 - 7.9 +44.7 + 3.3
Soda ash, 58%, light, carlots, cwt	1.55 23.50 22.35 .058 .255	1.55 23.50 22.35 .058 .255	1.55 23.50 22.35 .068 .255	
PAPER				
Book paper, A grade, Eng. finish, Untrimmed, carlots, cwt.	17.75	17.75	17.20	+ 3.2
Bond paper, #1 sulfite, water marked 20 lb, car. lots, cwt. Chipboard, del. N.Y., carlots, ton Wrapping paper, std. Kraft, basis wt. 50 lb rolls Gummed scaling tape, #2, 60 lb basis, 600 ft. bundle Old corrugated boxes, dealers, Chicago, ton	25.20 100.00 9.50 6.30 18.00	25.20 100.00 9.50 6.30 18.00	25.20 95.00 9.00 6.30 21.00	+ 5.3 + 5.6 0 -14.3
BUILDING MATERIALS; Cement, Portland, bulk carlots, fob New Orleans, bbl Cement, Portland, bulk carlots, fob N.Y., bbl Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm Douglas fir, 2x4, s4s, carlots, fob Toronto, mftbm Fir plywood, ¼" AD, 4x8, dealer crld, fob mill, msf	3.65 4.18 124.00 136.00 102.00 64.00	3.65 4.18 124.00 137.00 102.00 64.00	3.65 4.25 129.00 142.00 117.00 85.00	0 - 1.6 - 3.9 - 4.2 - 12.8 - 24.7
TEXTILES Burlap, 10 oz. 40", N.Y., yd Cotton middling, 1", N.Y., lb. Printcloth, 39", 80x80, N.Y., spot, yd. Rayon twill, 40½", 92x62, N.Y., yd. Wool tops, N.Y., lb.	.113 .343 .21 .23 1.425	.114 .343 .212 .235 1.425	.101 .356 .195 .26	
HIDES AND RUBBER Hides, cow, light native, packers, Chicago, lb Rubber, #1 std ribbed smoked sheets, N.Y., lb	.185 .428	.18 .472	.30 .342	-38.3 +25.1

This Week's

Price Perspective

JULY 11-17

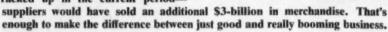
120 115 110

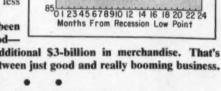
INVENTORY PATTERNS HAVE CHANGED a lot more sharply than most people realize.

Just how sharply is revealed in the chart alongside—which compares ac-cumulation in current prosperity period (1958-60) with the stock buildup during the last big upturn (1954-56).

In the first two years of the 1954-56 upturn, factory hard goods stocks soared 22%. This time stocks soared 22%. around, the same inventories-in a similar 2-year period-are up less than half that amount (10.8%).

If the same 22% mark had been racked up in the current period-





Index.recession lows = 100

Hard Goods Inventory Trends

ALL MAJOR INDUSTRIES ARE CONTRIBUTING to this drastically changed inventory picture.

In metals, a close to 20% inventory buildup during the last boom has been

replaced by a very modest 7.6% gain in the current period.

Part of this, of course, is due to current paring in steel (in June, for example, users chewed up one million more tons than they purchased). But even when you remove steel, you're left with a much smaller gain in metal stocks than noted for the previous upturn.

In transportation equipment, the same sort of percentage gap is notedwith current accumulation rate about one-third that of the previous boom. The exact figures: an almost 30% buildup in 1954-56—as compared to 11% now.

THE FACT THAT NORMALLY SLUGGISH SOFT GOODS are following the same pattern is particularly significant. It means we're witnessing a nationwide inventory revolution—cutting

across all industries and all areas.

Note some of these startling soft goods changes:

In rubber, stocks are up only 13% from the 1958 recession low. In the last recovery they rose by almost 40%.

Paper and chemical stocks show the same trend. They are now only up 6% and 7% respectively. Last time around, they were up over 30% and 20%.

NEW TREND IS HAVING SOME IMPORTANT REPERCUSSIONSboth good and bad-on over-all business activity.

First, as noted above, it's putting a damper on current upturn.

Secondly, it's had a significant effect on prices. With material stocks at the factory level actually below year-ago levels, most commodity tags have remained shaky (see chart above).

But thirdly, and perhaps most important, the new pattern removes the possibility of another "inventory" recession. With days' supply close to record lows, there's no room left for any sharp inventory retrenchment.

What all this means is that only a drop in final demand—and not a drop

in business inventories—can precipitate a business downturn. It's one more factor making for general business stability.

† Source: Petroleum Week ‡ Source: Engineering News-Record

Survey Shows Consumers Battening Hatches

Spending Plans Being | financial **Curbed in Anticipation** Of Economic Storms

Ann Arbor, Mich.—Consumer buying plans, particularly in autos and housing, declined sharply from February to May of this year, although most consumers remain basically optimistic. A significant factor contributing to current "doubts and uneasiness" is the fear of another recession-

These are some of the major findings of a study of consumer attitudes conducted by the Survey Research Center of the University of Michigan in May The purior in the control of the Control of Michigan in May The purior in the control of Michigan in May The purior in the control of Michigan in May The Control of Michigan in M of Michigan in May. The survey one of a series started in 1951 will now be made on a quarterly

The survey attributes the decline in consumer optimism to the "absence of favorable stimuli" rather than to "any spectacular events." The study is very definite on this point, stating: "Neither the collapse of the Summit Conference nor the downward movement on the stock market, both of which occurred during the past few stock market, both of which oc-curred during the past few months, can serve as an explana-tion for the deterioration of con-sumer sentiment."

But the current study has its bright side. Most of the families interviewed stated that we are having good times and a majority (64%) look forward to a con-

(64%) look forward to a continuation of prosperity. The survey noted a falloff, however, compared with the previous January to February report, when 75% of the families interviewed said they expect good times to continue over the next 12 months.

Other favorable signs noted by the survey:

• The sentiment for compact cars is still strong, and there is less tendency this year to wait for next year's models than there was in May of 1959.

• There is less fear of inflation now than at any time since last

Commenting on this aspect of the study, George Katona and Eva Mueller, the survey directors, stated, "Should this trend con-tinue and should the upward movement of incomes be maintained, a stimulation of consumer demand is to be expected.

Fears of a recession and of a resultant increase in unemploy-ment have undoubtedly played a big part in the current downturn in consumer sentiment. Some 60% of those surveyed think recession on the order of the 1958 downturn is in the offing. Some think it has already begun—or will set in very soon. A majority are of the opinion that it will start in 1961 or soon after.

No matter how unsophisticated such consumer prognostications may be, the fact is they do have gnificant effect on buying intentions. People tend to be cautious spenders when they think hard times are ahead.

Other unfavorable signs: Anticipated income charges.
 Correlated with increased pessimism on business outlook, was a sharp drop in the number of consumers who expect to be better off financially one year from

However, the people whose

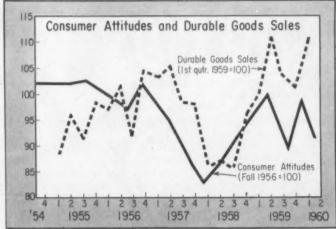
financial optimism slackened since last February don't expect slackened I to be worse off. They expect their incomes to remain the same. In fact, there was some decline from last February in the proportion of consumers who expect smaller

incomes one year hence. • No stimulating prospects. The prevailing uncertainty is augmented by the fact that most consumers see no developments on the horizon which will stimulate business. In February they looked for booming car sales to lift economic activity.

BUYING PLANS

The feeling that business conditions will worsen, and the less optimistic outlook in personal finances, has wiped out many of February's gains in consumer plans to increase purchases.

• Automobiles. In February the year-to-year gain in planned new car purchases was 20%. By May the proportion of potential new car buyers had declined to year-ago levels. And potential used car purchasers were sub-(Continued on page 30)



July 11, 1960



Cure-All Hay Conditioner caused failure of the roller chain drive.

PRESENT DRIVE: Both the limited space and high speed requirements were met with this Gates Super HC V-Belt Drive.

Gehl Brothers Manufacturing Company Finds

Super HC V-Belt Drive handles speeds chain drive couldn't take!

Roller chain drives on Gehl's Cure-All Hay Conditioners "would not stand up under the speed of operation." Yet conventional V-belts that would fit into the space available could not handle the working load for this outstanding line of forage harvesting equipment.

The design problem remained a tough one until the introduction of the Gates Super HC High Capacity V-Belt early last year. Then the Gates Field Engineer, working closely with Gehl Engineers designed the new

"The Super HC V-Belt Drive has eliminated need for shear pins and clutches, has increased efficiency, and lowered maintenance costs," is the pleased report from Gehl personnel.

Take advantage of Super HC on your equipment

Whenever you have a drive change on a new model or are replacing belts or sheaves, let your Gates Representative show you how Super HC Drives can reduce sheave diameters 30% to 50%, drive space up to 50%, drive weight and cost as much as 20%

A handbook, "The Modern Way to Design Multiple V-Belt Drives," is yours for the asking. Simply contact your Gates Representative listed in the Yellow Pages.

The Gates Rubber Company, Denver, Colorado Gates Rubber of Canada Ltd., Brentford, Onterio





Gates Super (V-Belt Drives in smaller "package"

Washington **Perspective**

JULY 11-17

The squeeze is on banks to cut interest rates on business loans. Ever since the Federal Reserve lowered the discount rate in the second week of June, there has been speculation about a slash in the 5% rate New York banks charge their prime customers. The discount rate—the rate charged commercial banks on their borrowings from the Federal Reserve-traditionally leads the prime rate down when interest begins to soften.

So far, banks have stood firm. The question is how long they can hold out, with corporations going in increasing numbers to the commercial paper market where they are borrowing at

around half the cost of loans at banks.

Federal Reserve officials aren't trying to predict what banks will do. But they think retirement of about \$2.7-billion of federal debt this calendar year, combined with less demand than last year for consumer and mortgage loans, will tend to soften If they are right, then the prime rate could go down.

But New York bankers say they won't have to cut as long as demand for loans stays at present high levels. The American Bankers Association, making the same point, even predicts that there will be upward trend in loan demand for the rest of the year. So don't expect a reduction in interest rates, the American Bankers Assn. advises.

Pres. Eisenhower and his economic advisers are eagerly awaiting signs of a steel inventory pickup in August.

The tipoff came from the President himself at his press con-

ference last week.

Eisenhower used the conference to try to scotch pessimism about the business outlook.

The President produced figures to show that Gross National Product during the second quarter climbed to a yearly rate of \$503-billion—a record high—and that personal income is still setting new highs.

But he granted that the low level of steel buying is a legitimate cause for doubt about the future of business. He said it was due to adjustments once inventories were filled after last year's strike settlement.

The President's advisors know the industry is hoping for an increase in steel orders in August. Apparently they feel it is fairly certain, or they would not have let Eisenhower speculate.

. . . A second piece of inventory news this week was not too heartening. Inventory buying by durable goods manufacturers has leveled off after a six-month rise.

This fact became apparent a few days after the Commerce Dept. had issued its regular report showing manufacturers' inventories in May had increased by \$300-million over April.

Later analysis showed that the increase was due in good part to goods piling up on the shelves at the end of the production line, not to any big increase in inventory purchases.

Don't look for the new Cuban quota to bring significantly shorter supplies or higher prices on sugar here, at least for the immediate future.

The plain fact is that President Eisenhower's 856,000-ton cut in Cuba's price-propped sugar export quota to the U.S. will not disrupt the domestic market.

Cuba's self-imposed cut-off from Western oil won't tumble the Cuban economy, either. Castro says he still can get by, even on as little as half the oil Cuba now consumes.

What could cancel all economic bets, of course, is a complete Castro break with the U.S. and a political military alliance with Moscow and Red China. Officials in Washington don't think either Castro or the Soviets are quite ready for such action, bringing U.S. and possibly inter-American intervention.

Steel Scrap Prices End Long Slide

Pittsburgh—Steel scrap prices mum profit margins have been apparently have reached the bottom of the long downward slide that started six months ago.

Pittsburgh—Steel scrap prices mum profit margins have been reached.

Despite depressed demand all purchasers still can be found at the profit margins have been reached. But no upturn is expected.

A number of factors indicate that scrap prices have sunk about as low as they're going to go:

● Key quotes have been steady for some weeks in the face of falling demand. No. 1 heavy melting scrap has stayed at \$30/ ton here for three weeks; at \$30/ton in Cleveland for four weeks; and at \$29/ton in Chicago

purchasers still can be found at the low tags. Automobile stamping firms in Cleveland were able to sell their scrap at 25¢/ton above recent rates, and a similar sale in Pittsburgh was made at higher prices than observers had anticipated.

Since the decline set in last January, scrap prices have fallen 30%. But although the decline seems to have halted, dealers do r five weeks.

Scrap dealers feel that mini- in the near future.

Mixed Trends Indicate Little Business Change

LEADING INDICATORS	WHAT THEY PREDICT	Outlook 3 Mos. Ago	Current
P.W. Price Barometer	Imminent changes in over-all demand.	>	>
P.W. Overtime Hour Index	The urgency of meeting de- livery schedules.	*	A
Day's Supply	Future inventory policy and trends.	>	>
Ratio: New Orders/Sales	Trend in manufacturing back- logs and hence business activity.	*	*
Ratio: Stock/Orders	Effect of orders on production schedules.	^	>
Business Births	Opportunities available for new business.	*	A
Business Failures	Relative health of business community.	>	A
Industrial Stock Prices	Wall St. appraisal of business outlook.	*	A
Plant & Equipment Spending	Future capital spending plans of the nation's businessmen.	^	^
Machine Tool Orders	Business feeling about future economic climate.	^	>
Construction Awards	Future over-all construction activity.	A	*
Housing Starts	Near-term residential building activity.	A	>
Consumer Attitudes	Sentiment and inclination to consume over next few months.		*

Key Business Barometers Point to Stability

upturn, stocks were the equiva-lent of over a 70 days' supply. On the other hand, there was

a pickup in the rate of accumula-tion of general inventories in May for the first time this year, the Commerce Dept. reported. But on the whole, the trend is toward hand-to-mouth buying, with June showing another de-crease in inventories, according to the National Association of Purchasing Agents monthly survey. However, there are indica-tions that we are reaching the low

point in inventory reductions, the NAPA reports say.

There is one danger point in the inventory picture though—and that's the buildup in finished and the stacks of the s goods stocks on all levels of trade. On the factory level, for example, finished hard goods are up 17% over the past five months.

On the retail level, the figures

On the retail level, the figures are not quite so disturbing—and show only a 6% rise in hard goods stocks. But judging from the over 1-million autos in dealer hands plus widely acknowledged appliance glut—there's a lot of imbalance in this retail area.

• NEW ORDERS-Incoming business relative to sales continues to disappoint. In May, hard goods orders were 3.3% below sales. This marks the sixth straight month they have lagged behind.

Result: Backlogs over period have shown a marked decline. Unfilled order totals dropped almost \$4-billion since last November. Biggest decline

(Continued from page 1)

Done bright spot is the increase boom period. In late '57, for exing new orders reported by the ample, just before the end of last aircraft industry. It was enough One bright spot is the increase | developments, see story, p. 3. to push dollar volume of durable business up about \$100-million in May—the first rise in three months

> • CONSTRUCTION — Contract awards continue to show some easiness. For the first half they're running about 7% behind year-ago levels-indicating some future drop in activity.

> sharp de-However, recent sharp de-clines in highways (May figures were 21% below year ago) may be reversed by new government action. States will now be allowed to obligate half of their annual federal aid highway money in the current quarter.

> Meanwhile, residential struction—judging from latest housing start figures—seems to be stabilizing on a lower level. May figures show 1.3-million units (seasonally adjusted annual rate)—unchanged from month ago, though still 17% below last year.

MACHINERY EQUIPMENT—Despite some cutdown in third quarter plans, cutdown in third quarter plans, capital outlays will still be fractionally above the second quarter—and a sharp 12% above the third quarter of last year.

The machine tools segment, however, remains on its low steady plateau. Only the influx of foreign orders in May kept the industry close to month-ago and

industry close to month-ago and year-ago levels.

• CONSUMER ATTITUDES This barometer, a new addition to PW's list of sensitive indicais in steel, which accounts for some one-third of the over-all drop.

tors, points to a downward movement in consumer buying plans. Section, Government Prince of details on latest consumer Office, Washington 25, D.C.

• SECURITY PRICES—The fact that the stock market showed a smart 4% gain last month is encouraging. For it means Wall Street is optimistic about the future.

Latest rise puts it pretty close to beginning-of-the-year levels-when the whole market was betting on a prolonged business

• BUSINESS BIRTHS AND DEATHS—Modest 3% rise in new incorporations during May—coupled with a 1½% decline in failures—also give some cause for cheer. It indicates that the leveling off in activity hasn't affected the health of the business community. community.

Defense Dept. Outlines **Procurement Regulation Revisions in New Manual**

Washington-The Defense Department has published a new edition of its Armed Services Procurement Regulations Manual

The booklet, which includes all material from the 1955 edition plus the 54 revisions issued since then, will be sold on a subscription basis only, eliminating the need for placing individual orders for sets of revised pages as they are issued.

Subscribers may obtain the new service, including the basic updated 1960 manual plus all revisions for the next two years, for \$18 by writing to the Superintendant of Documents, Mail List Section, Government Printing

For Moves to Consolidate Buying a real single manager," with power to buy and control dis-tribution of petroleum supplies, instead of merely evaluating bids and telling each service when

ous gear, office equipment, laundry, and both photographic equipment and supplies, will be in full operation a year from now,

the report says.

Washington—The House Gov-1"a real single manager," ernment Operations Committee has praised the extension of the consolidated procurement concept into new field of military buying, but urged the Defense Department to strive for still more procurement efficiency.

The Committee adopted a re-

port by its military operations subcommittee, describing the growth of the agencies from four to eight since last summer, "with perhaps one more to come."

The committee termed the establishment of the Military General Supply Agency under the Army, the Military Industrial Supply Agency under the Navy, and the assignment of construction and automotive supplies to tion and automotive supplies to the Army and electronic tubes to the Air Force, "the most sig-nificant development" in response to its call last summer for more consolidated or, single manager buying operations.

ONE SERVICE BUYS FOR BOTH

Under this system, one service buys assigned items for the other services.

Defense Department and General Accounting Office studies are underway on the assignment of the huge electrical-electronics field to a single manager. Pro-curement in this field runs to runs to \$1.5-billion a year, and the committee said there is evidence of waste and duplication that requires attention even before the decision is made on a single man-

ADDING NEW ITEMS

The Defense Department testified that with the setting up of eight or nine single manager agencies, the limit probably will have been reached. Emphasis now will be on adding new commodities to existing agencies, the modities to existing agencies, the Defense Department said.

The committee agreed that "multiplication of single manager agencies would, of course, introduce new problems or accentuate old problems of interagency coordination.

Since the Defense Department is considering putting "about 55% of the 3.5-million items in the supply systems" under central management, "the eight or nine single managers may receive new responsibilities and their dollars purchasing and in-ventory volume may grow," the committee said.

LOOK FOR NEW COMBINATIONS

The committee urged the De-nse Department to "remain alert for new combinations of responsibilities beyond the single manager which will permit an even more responsive supply sys-

But it gave no encouragement to advocates of a fourth service branch for supply, declaring that "could be more difficult than the creation of the Air Force as a separate service."

Since its report a year ago, the committee said the functioning agencies hiked annual savings from \$8-million to \$14-million. But the committee said it is still urgent to limit "military require-ments to realistic needs" and cut

buying accordingly.
It strongly urged that military petroleum supply agency be made

House Committee Salutes Military Permanente Cement Denies Monopoly Charges

Oakland, Calif.—Permanente ment challenges Permanente's ac-Trade Commission charges that the company's acquisition of three companies in the Pacific Northwest would substantially lessen competition or tend to buy.

The Military General Supply
Agency, which will handle such
items as handtools, miscellane-

lessen competition or tend to create a monopoly.

In denying that these acquisitions were a violation of the Clayton Act, company officials stated the merger would, in fact, benefit trade, commerce, and competition. The company says it will fight the charges.

The two-count FTC indict
The FTC complaint states the merger, in addition to giving Permanente some 50% of the total available cement capacity in the area, has had these effects on trade along the West Coast:

The entry of new manufacturers, sellers, or distributors of cement in the area may be inhibited or prevented.

quisitions of Olympic Portland Cement Co., of Seattle, in 1958, and of Pacific Building Materials Co., and Readymix Concrete Co., both of Portland, Ore., in 1959.

The FTC complaint states the merger, in addition to giving Permanente some 50% of the total available cement capacity in

reduced by additional concentra-tion in the new integrated company which has been an example, the FTC suggests Permanente may sell cement only when it is bought in conjunction with other materials.

There may be a substantial reduction of the quantity of cement available in the area.

Other cement producers in Portland may be inhibited from making improvements in their businesses due to competition from Permanente.

4 COMMON PROBLEMS IN BOXMAKING

(and how the Arabol man helps you solve them)



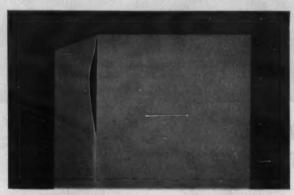
1. THE SIDE SEAMS WON'T HOLD - Embarrassing behavior, to say the least. And many things can happen to your box material to cause it. The Arabol man will look for changes in board surfaces, clay coatings or foil. He'll question your inks, waxes and plastic films. He'll check to see if your board is too dry or too moist—both contributing factors. Whichever it is, count on your Arabol man to pinpoint the difficulty quickly.



2. THE ADHESIVE SQUEEZES OUT . carries a troublesome side-reaction: the adhesive can accumulate on the pressure belt, marring your boxes and spoiling your printing. Could be you're simply applying too much adhesive. Or, you may need a faster-drying adhesive. Or, one of different viscosity. As another possibility, the adhesive may be building up on the rollers or transfer mechanisms. Why delay? See the Arabol man.



3. THE ADHESIVE THROWS - When this happens, your boxes stick together (and t-e-s-r apart) or glue spots appear on the surfaces. The culprit is usually glue viscosity; it's either too high or too low initially. Or running your machine at high speeds may have changed it. You'll probably need an adjustment in the adhesive formulation. Talk it over with the Arabol man. He'll see that our laboratories understand the problem fully—and solve it neatly.



4. THE FINISHED BOX POPS OPEN - This can be costly, becau it usually happens when the box is on the customer's shelf. We can suggest at least four possible reasons: (1) unusually high or low humidity; (2) ditto with high or low temperatures; (3) pressure of stacked boxes is causing cold flow; or (4) a chemical reaction is taking place between the adhesive and the contents of the box. Solution? Turn the problem over to the Arabol man.

THE BEST WAY to solve adhesive problems is to prevent them from happening. You can begin by telling us all the conditions your adhesive must meet-in your plant, in transit and after it reaches your customer. You may not be aware of how important some of these conditions are. To help you understand them more fully, we have prepared an interesting booklet that has saved many of our customers no end of aggravation—and money. It's called "HOW TO BUY ADHESIVES—23 BASIC YARDSTICKS." It makes interesting reading. Send for it today.



ARABOL ADHESIV

THE ARABOL MFG. CO., 110 EAST 42ND STREET, NEW YORK 17, N. Y. * CHICAGU * SAN FRANCISCO.

LOS ANGELES * ATLANTA * PHILADELPHIA * BOSTON * PORTLAND, ORE. * ITASCA AND MCALLEN, TEX.

CINCINNATI * DENYER * TAMPA * LONDON, ENG.

HOME ON THE RANGE will look much like above for Boy Scouts at 1960 campsite will be Colorado's third largest city for a week.

BoyScoutOfficialsApplyBestPurchasing

New Brunswick, N. J. peacetime logistics problem is shaping up near Colorado shaping up near Colorado Springs where 56,000 Boy Scouts will assemble next week for their Fifth National Jamboree.

The seven-day meeting will climax two years' planning and preparation by executives of the Boy Scouts of America head-quarters here. They have transformed a 2,000-acre range site into what will be the state's third largest city.

Procurement and good pur-

ant chief scout executive

None of the scout officials is a full-time purchasing agent, but each of those involved has performed his procurement functions in a professional manner, Heistand said. stand said.

The tasks, which represented a cooperative effort taken on by various scout executives in addition to their regular duties, are a king-size version of the sort of thing a lot of PA's run up chasing techniques played an esthing a lot of P.A.'s run up

A huge sential role in setting up the Jamblem is olorado Jamboree coordinator and assistings, sessions with suppliers, and conventions.

Experience at past Jamborees has taught the scouting executives to use every purchasing device including: public bids, negotiated buying, quality control testing, data processing, piggybacking, Value Analysis, quantity buying, central deliveries, and surplus

Jamboree officials are as costconscious as any industrial pur-chasing agent, and maybe more so, Heistand said, because they want to attract as many scouts as possible. This means keeping costs low. Each participant at the Jamboree pays \$50, which covers food, use of equipment and the cost of building the campsite.

Heistand estimates that the 1960 Jamboree will cost about \$2.5-million, half of which will go for food.

Perishable and non-perishable food contracts were awarded by bid to 180 suppliers. Arrangements were also negotiated to cover the return for a refund, of

unused non-perishable foodstuffs.
Some of the food expenditures Some of the food expenditures include: \$11,690 for jam and jelly; \$19,700 for cake, pies, and doughnuts; \$12,000 for ice cream. The scouts will drink 74,480 quarts of fresh milk daily, munch 17 miles of hot dogs, and consume 27,800 chickens.

So well planned in advance is the Jamboree that scouting ex-

the Jamboree that scouting ex-ecutives even have answered the old question: "Who gets the neck of the chicken?"

Contracts with the meat supplier, Swift & Co., provide for equal portions of legs and thighs. Necks and other less desirable parts remain with the supplier.

All of these meals will be cooked over 16,000 campfires which will require nearly 20 tons of charcoal. Putting good pur-chasing techniques into practice, scout executives conducted a series of tests for quick burning, heat, ignition temperature, etc., before awarding contracts for the charcoal to a Michigan supplier.

Fires also will take care of the problem of disposing of the used paper utensils.

Pre-packaged and disposable items play a big role in the planning and success of the supply operation. Non-perishable items are made up to serve a section, the basic unit of the Jamboree. Each section is composed of a

number of troops.

Perishable foods also had to be packaged for unit use and every-thing perishable or non-perish-able required storage at some time or other.

That was the No. 1 commissary problem, Heistand said. No ware-house in Colorado Springs was large enough to hold the 52,920 cases of canned goods needed for the Jamboree. But the problem was licked by using 18,000 sq. ft. of space in Safeway Stores ware-

houses in Denver.

As in industrial buying, knowing where to go for what you need was important in the scouts' logis-tics problem, Heistand said. The Boy Scouts have called upon both private and public sources to keep costs down.

For example, the campsite which is part of the Reverse J Diamond Ranch near the Air Force Academy was donated for



ilver Supermarket

Has every form of silver for your electronics applications

Silver, in many forms and alloys, is a necessity in the electronics and electrical industries. To meet this need on a high quality level, Handy & Harman manufactures powder, flake, paint, paste, sheet, strip, wire, etc., for printed circuits, wiring, resistors, condensers, thermistors, contacts, printed terminal strips on glass, ceramics, plastic laminates, etc.

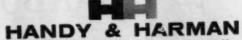
Another "At Your Service" Division of the Handy & Harman Silver Supermarket is our Research and Engineering Department, Always ready to help you with any problem or project you may have involving silver for any application.

VISIT OUR BOOK DEPARTMENT

We have five Technical Bulletins giving engineering data on the properties and forms of Handy & Harman Silver Alloys. We would like you to have any or all of those that particularly interest you. Your request, by number, will receive prompt attention.

Fine Silver	
Silver-Copper Alloys	Bulletin A-2
Silver-Magnesium-Nickel .	Bulletin A-3
Silver Conductive Coatings	Bulletin A-4
Silver Powder and Flake	

Your No. 1 Source of Supply and Authority on Precious Metal Alloys



General Offices: 82 Fulton St., New York 38, N.Y.

Techniques to Pitch Tent City for 56,000

Jamboree use. The BSA will pay communication to the terminals. period. The Burlington Railroad nothing for it except a reseeding fee in order to restore it to its minals, will be coordinated by embargo on its terminals so that nothing for it except a reseeding fee in order to restore it to its original condition.

headquarters engineering team approved the site and laid out the camp. It also administered building contracts for needed work on roads, more than 12 miles of electric cables, and the 8 miles of water mains and 5 miles of sewer lines that have been con-structed. The mains will furnish more than 2-million gal. of water.

Some of the equipment, such as field refrigerators and rolling stock, was loaned by the armed forces upon receipt of a bond insuring its return, in good condi-

The Army Reserve came up with two fully-staffed, 100-bed field hospitals which will be open around the clock to handle emergencies during the Jamboree.

The Army will use the Jam-boree as a field exercise, and Army elements will send observers to study the logistics opera-tion for possible application to disaster relief work.

One of the toughest Jamboree

assignments went to Kenneth A. Wells, BSA director of research



TRAFFIC MANAGERS keep track

and head of all Jamboree trans-portation. Wells and his staff have been working for more than two years on traffic arrangements, which include not only all scheduling of arriving and departing scouts and their baggage, but also trucking lines, buses and a baggage center.
Some of the details worked out

• Special tariffs of 2.7¢ per mile for coach travel and 3.47¢ for pullmans.
• Special menus and a \$4.50 a

day rate for dining cars.

Setting up a depot on campsite to handle 140 baggage cars.

Negotiations for 80,000 sight-

seeing groups.

• Setting up a camp bus line in cooperation with the Colorado

cooperation with the Colorado Springs Coach Co., with fares fixed at 10¢ a ride.

Scheduling the arrival and departure of 56,000 scouts, without causing jams at rail, air, and bus terminals.

Coordinating buses and trucks to meet scouts at the terminals.

• Establishing an information center on campsite to handle all transportation problems.

The information center will use IBM tally sheets so that the traffic coordinators will have up-to-theminute details on what is going on

and who is where.

In the past, Wells has had his transportation section organized in such minute detail that the railroads, for example, used his data rather than their own in seeking information on Jamboree trains. Six direct telephone lines will provide Wells' group with instant

radio from transportation command headquarters and piggyback will be used in handling Jamboree baggage.
Arrival and departure of the

scouts will stretch over three-day periods before and after the Jam-boree. Sixty-eight special trains and 28 regular trains are expected.

The schedule has been set up so that terminals will average one train per hour for each three-day item over 16 ft."

all rolling stock can be used to move scout-jammed trains.

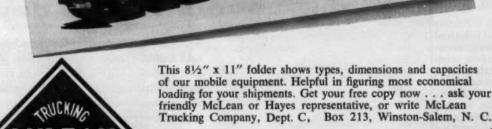
Traffic details covered eve thing from baggage tags (500,000 were printed) to maximum sizes on what could be put aboard bag-gage cars. "You never can tell what scouts will take along," Wells said. "It could be anything from lizards and burros to logging camp equipment. We placed a 300 lb. limit and also barred any



PAST ENCAMPMENTS, such as above at Valley Forge, Pa., gave scout officials the purchasing know-how to hold bigger Jamboree this year. PAST ENCAMPMENTS, such as abo







"We pull for Industry



Railway Express Reports Success Of Compatible Container Shipments

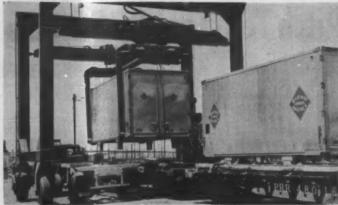
new compatible highway-rail-sea container system.

The two-week demonstration, consisting of daily movement of containerized express shipments between New York and Pitts-burgh, was conducted jointly by the Pennsylvania Railroad and Railiner, Inc., Birmingham, Ala., supplier of the eight 8 x 8 x 20 ft. containers and other special equipment used in the trial.

In addition to the 10-ton-capacity containers, the new system

New York—Railway Express consists of a mobile van carrier Agency has announced the successful completion of tests of its track and road unit. The carrier which operates hydraulically al-ternately loads and unloads both containers and truck trailers to and from rail piggyback or flat

The van carrier transfer device also has adjustable L-shaped arms which can lift any 20 40-ft. container or trailer with-out adjustments and without special fittings.



TRAVELIFT van carrier transfer device straddles railroad flatcar and trailer truck for easy lifting of steel-reinforced aluminum containers.

Fansteel Speeds Delivery

Chicago-Fansteel Metallurgical Corp. has set up a complete warehouse service offering offthe-shelf delivery of tantalum, tungsten, molybdenum, columbium, and alloys

The new service, which Fan-steel calls an industry "first," pro-vides for maximum 48-hour de-livery of each of the "space age metals" in all standard forms.

"This new service" a company

"This new service," a company official said, "rounds out a program that now makes it as easy to procure these critical metals in a complete range of sizes and volume as steel is from a steel warehouse."

Transicold Develops Flexible Container To Carry Liquids in Vans

Montebello, Calif. — Transi-cold Corp., a leading manufac-turer of transportation refrigera-tion equipment here, has added a new flexible liquid container to

its line of products.

The new 4,600-gal-capacity
called "Van-Tank," container, called "Van-Tank," can carry "practically all types of liquids in any type of trailer," in-



FLEXIBLE VAN-TANK fits nearly Il trailers, can carry most liquids.

cluding refrigerated vans, com-

pany officials state.

Now being demonstrated by Transicold dealers around the country, the 34-ft. container is molded of coated nylon fabric and vulcanized into a seamless one-piece unit. Food grade plas-tic liners are also available for the container, which is being fabricated by Goodyear.

General Trading Changes Area Distribution Setup

St. Paul-General Trading Co., an automotive and industrial parts marketing company, is re-organizing its distribution setup in the North Central states

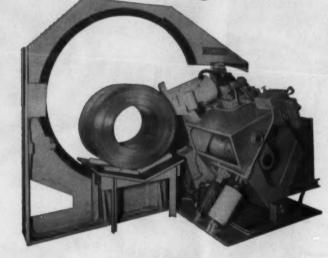
Under the plan, regional ware-houses will be discontinued, and all warehousing will be handled from the firm's headquarters here. complete materials handling system is being installed to dou-ble storage capacity and provide a continuous 60-day supply of

parts and equipment.

The company will maintain its
43 jobber stores in Minnesota,
Wisconsin, Michigan, North and South Dakota. General Trading will switch from common to private carrier in servicing jobber outlets. Cost of the modernization move is more than \$100,-

Signode machines reduce packaging costs

Push-button strapping of pipe. This "work horse" M2 Series is in use strapping cartons or bundles of nearly every kind of product quickly and dependably. MS2-BR machines, as illustrated, apply three straps simultaneously to a bundle of conduit, rods, tubing, or small dimension pipe in four seconds.



Operatorless circumferential strapping of aluminum coils. Strapping is automatically centered on coils from 30" to 72" O.D. The machine straps a coil in less than 10 seconds. Other MH Series machines put 300 to 360 straps per hour on hot or cold strip steel coils or rod or wire coils...have been proved dependable in as much as ten years of the hardest kind of steel mill service.

Every day hundreds of plants prove their economy and dependability

Signode machines strap faster and at less cost-and do it dependably, with uniform tension on every strap. Tensionable steel strapping is low in cost to begin with...and high in strength to ship with. Signode has unparalleled experience in building and applying over 30 different types of these machines. Improved flow, less waste, better handling, safer transit, and lower costs nearly always result. Signode Service includes operator training and fast mechanical service on a local basis, nationwide. All of these machines are available on either an annual rental or single payment basis. It will pay you to talk to the Signode man near you, or write:



SIGNODE STEEL STRAPPING CO. 2670 N. Western Avenue, Chicago 47, Illinois

Offices Coast to Coast. Foreign Subsidiaries and Distributors World-Wide In Canada: Canadian Steel Strapping Co., Ltd., Montreal • Toronto





10,125 tests a day assure consistent quality in every Gulf.

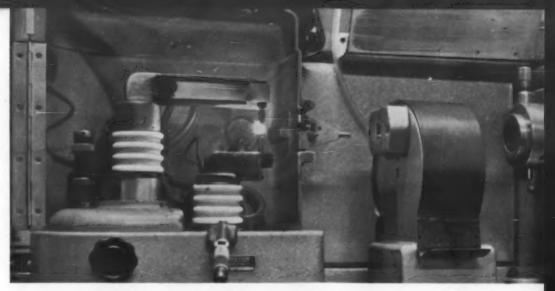
MAKES THINGS

Those bottles you see above contain samples of a variety of Gulf fuels and lubricants, each of which has been subof Gulf fuels and lubricants, each of which has been sub-jected to a series of scientific quality control tests at Gulf laboratories. Any one of the tags shown might carry the "pedigree" of a Gulf product your company bought today for use in its plants or motor fleet. Product purity is policed constantly at Gulf. During the refining process, samples from every lot of Gulf gasoline, diesel fuel, lubricating oil and grease are

tested and re-tested to make sure that formulations are exact and that impurities are essentially eliminated. For example, Gulfcrest® 44, world's leading turbine oil, is quality-controlled to limit contamination to less than one part per million.

Every Gulf product you purchase bears positive evidence that it is precisely what you ordered. From the lot number on the container, your Gulf office can determine which refinery made the product and the day it was





Emission Spectrograph (above) causes undesirable elements in a petroleum sample to emit their characteristic light spectrum which is photographed on a strip of film. In the Densitometer (below) the spectrum on the film is evaluated to identify the presence of metal contaminants down to less than one part per million.



product you buy...

RUN BETTER!

made. Laboratory inspection data is then available for each individual lot.

Gulf testing facilities are also used frequently to help Gulf Sales Engineers solve customer problems involving the use of petroleum products.

Get the complete quality protection that Gulf testing gives you. If your company uses petroleum products in any way, find out how Gulf makes things run better! Just call your nearest Gulf office.

GULF OIL CORPORATION

Department DM, Gulf Building Pittsburgh 30, Pennsylvania





Stanscrew service helps insure precision of Gilbarco pumps

Gilbert & Barker Mfg. Company builds its famous Gilbarco gasoline pumps for oil companies large and small, and ships them to every state in the union as well as to most countries overseas. To insure precision and dependability of these pumps, great care must be taken in all assembly operations. Fasteners, for instance, must be torqued precisely to keep all components in perfect alignment. fect alignment.

Because of the critical importance of fasteners to its products, Gilbarco has selected Stanscrew heat-treated cap screws for such key applica-tions as the positive displacement meter (shown in the insert). Stanscrew fastener specialists were happy to assist Gilbarco engineers in determining the right fastener with the correct torque to assure trouble-free service.

Gilbert & Barker is one of a long roster of Gilbert & Barker is one of a long roster of honored names in American industry who have found it pays to standardize on Stanscrew. A product of unsurpassed quality . . . a broad selection of more than 5,500 different fasteners . . . prompt service through local distributors, backed by complete stocks at three conveniently located plants . . . these are a few of the reasons Stanscrew means greater value in fasteners.

Stanscrew's experienced fastener specialists can often suggest ways to improve your assembly procedures. Your local Stanscrew distributor will be happy to arrange a prompt visit. Call him today.



CHICAGO | THE CHICAGO SCREW COMPANY, BELLWOOD, ILLINOIS HMS | HARTFORD MACHINE SCREW COMPANY, HARTFORD, CONNECTICUT WESTERN | THE WESTERN AUTOMATIC MACHINE SCREW COMPANY, ELYRIA, OHIO

STANDARD SCREW COMPANY 2701 Washington Boulevard, Bellwood, Illinois

In the World of Sales ...

Pennant Div., Chicago.

J. Carl Ferguson was made director of electrical conductor marketing, Electrical Conductor Kaiser Aluminum & Chemical Sales, Inc., Oakland, Calif. Cornell C. Maier succeeds him general sales manager for the division.

R. L. Schmid, Jr., was appointed manager of industrial chemical sales, Aluminum Co. of America, Pittsburgh. He succeeds Wayne C. Montgomery, who became manager of the firm's Garden City, N. Y., branch sales office. sales office.

C. C. Kaesemeyer has moved up from general sales manager to executive vice president, sales, at Fuller Co., Catasauqua, Pa. Donald S. Douglass, former assistant general sales manager, becomes vice president, division sales coordination.

Austin F. Marx has been named sales manager of Com-puter-Measurements Co., Sylmar, Calif. He had been eastern re-gional manager for the EASE computer group of Beckman In-struments, Fullerton, Calif.

Charles I. Buckley has joined Davis Instruments, a division of Davis Emergency Equipment Co., Newark, N. J., as sales manager. He was formerly with Colgate Palmolive Co., New York.

Peter J. Neroni was named midwest regional sales manager, Dayton Dayflex Plastics Co., a division of Dayco Corp., with headquarters in Cleveland.

Joseph R. Maslove, Jr., has taken the post of sales manager, Fluid Regulators Corp., Paines-ville, Ohio. He had been a district sales manager in the New Jersey office of Hartford Steel Ball Bearing Co.

Hugh J. Daly has been elevated to vice president-Magnecord sales for Midwestern Instruments, Tulsa

Arthur A. Powell has been assigned the new post of product sales manager, Motorola Semi-conductor Products, Inc., conductor Phoenix, Ariz.

E. B. Charles was advanced to chief sales executive and placed in charge of the Sales Div., Aero Design & Engineering Co., Design & I Bethany, Okla.

Robert Eaves joined Mitronics, Inc., Hillside, N. J., as sales manager. He had been sales supervisor with American Lava Co., Chattanooga, Tenn.

R. T. Gustafson has taken the post of general sales manager with Chicago Tramrail Corp., Chicago. He had been general sales manager of Borg-Warner Industrial Cranes, Chicago.

Mark T. Gilkison, manager of the Industrial Sales Div., Gates Rubber Co., was appointed to the firm's board of management.

Roger D. Miller was assigned

Robert B. Gray, who formerly operated his own sales agency, has joined Immie Corp., Rochester, N. Y., as general sales man-

Robert A. Foster was pro-moted to sales manager, Industrial Div., Boyer-Campbell Co.,

J. Thomas King has been ad-the new post of sales manager of vanced to vice president of sales for Novo Industrial Corp.'s Electric Co., Springfield, Ill. spectively by Engineered Ceramics Mfg. Co., Chicago.

> Thomas W. Dunn resigned as vice president and general sales manager of Carlon Products Corp., Aurora, Ohio. His future plans include work as sales, marketing, and distribution con-sultant to makers of plastic pip-ing and allied products.

Machine Co. Maxa has been assistant sales manager, Precision Products Div., New Britain Machine Co., New Britain, Conn.

M. Marcus has been advanced from sales engineer to sales man-ager for Hamilton Electro Sales, Los Angeles.

Jack W. Kennedy was named assistant to the vice president-sales, Western Industrial Chemical Div., Stauffer Chemical Co., San Francisco.

Lloyd Percell has been made John McKane and Ken Weber eral sales manager of Koehler sales manager for Air Transport Mass.

Aircraft Products Co., Dayton, Sales, Lear, Inc., Santa Monica, Ohio, a subsidiary of New Britain Calif., with responsibility on the corporate level

> A. T. Clawson moved up to sales manager, government and services sales, General Electric Co.'s Computer Department, Co.'s Phoenix, Ariz.

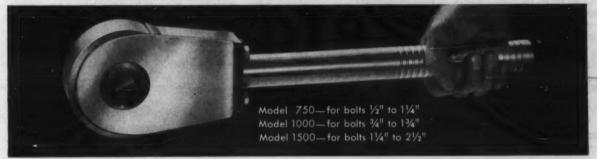
John P. Steel was appointed assistant to the sales manager, Mining Tool Div., Kennametal Inc., Bedford, Pa.

Clifford J. Grube was advanced to manager of field sales, Metals & Controls Div., Texas Instruments Inc., Attleboro, Instruments

designed to solve a universal maintenance problem ...

first manual impact wrench that works... LOOSENS THE TOUGH NUTS **EVEN POWER WRENCHES CAN'T BUDGE!**

SWENCH



· Loosens "frozen" nuts in seconds

Tightens nuts to maximum practical tightness

There's never been anything like Swench before. It is an entirely new concept in wrench design. Swench is the world's only manual impact wrench. Here's what Swench means to you . . .

NEW SPEED-Nuts that previously had to be burned off can now be "Swenched off"—with unbelievable ease—by one man-in a matter of minutes

NEW EASE-Only Swench in its torque class is truly portable . . . lets you take the wrench to the job-anywhere-with no auxiliary equipment, no power con-

NEW SAFETY-With Swench there's no back-breaking, knuckle-knocking struggle . . . no dangerous handle extensions



See for yourself! Swench is so different from anything you've experienced, you'll have to see it in action to believe it. For a quick and convincing demonstration, contact Marquette.

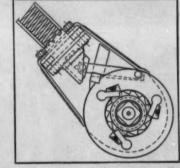
... no sudden release of a frozen nut ... no shock transmitted through the handle.

NEW POWER-Swench, size for size, gives greater-and more effectivetorque than power wrenches . . . multiplies torque applied to handle over 1500% (yet all Swench's power is built into the wrench itself).

NEW ECONOMY-Swench saves in many ways . . . no auxiliary equipment to maintain and man, no costly upkeep on the wrench, no man-hours fighting frozen nuts-and Swench costs less than half as much as wrenches with comparable impact power.

NEW VERSATILITY-One Swench can handle more bolt sizes than any power wrench . . . loosening or tightening requires no special adjustments.

NEW TENSIONING ACCURACY—Precise tightening is assured with Swench, following simple instructions.



INSIDE STORY—How is all this possible? Unlike power wrenches that deliver many tap-like blows, or ordinary manual wrenches that apply steady torque, Swench builds up power in its superstrong spring for a mighty wallop that is released as torsional impact every time the handle is advanced slightly more than 30 degrees.

Write for further information.

"When you're up against the tough nuts . . .

Don't wrench it . . . SWENCH it!"

MARQUETTE DIVISION

CORPORATION . 1146 GALEWOOD DRIVE, CLEVELAND 10, OHIO

MANAGEM

A collection of timely tips, quotations, and inside slants on management and industrial developments, along with a run-down of events and trends of use to the purchasing agent.

Improving Office Performance

Are you bothered by the low level of efficiency of your clerical staff? If you are, and have tried to apply time study methods to improve efficiency, chances are you have failed.

A better approach than time study, says F. B. Maynard, is to figure out the best methods for doing a clerical job and then measure performance improvement from there. Maynard calls the technique Methods-Time Measurement (MTM). His consulting firm developed MTM during World War II, and applied it to assembly line work—with great success. Now he has adapted it to office routines and given it a new monicker—Universal Office Controls (UOC).

UOC starts with the worker, but it doesn't rely on a stopwatch. It breaks down human movements into four sequences that apply to any manual routine—reach, grasp, mover, and release. Standard times have been calculated for a great many combinations of these movements through various distances. And Maynard has developed some additional data that applies only to office practice. that applies only to office practice.

With these tools and some training in the method, an office supervisor can build up some performance standards for his clerks. Results can be as much as a 50% increase in efficiency, cutting office costs by 20% to 30% in a few months. The UOC method also has been used to prepare the way for automation studies, improve paper work methods and procedures, and figure out whether new equipment will pay for itself.

P.A.'s interested in applying this technique can get more information and a how-to report on the UOC system from the

Management Publishing Corp., 22 W. Putnam Avenue, Greenwich, Conn. Price is \$12.75.

Supplier Directory

The Small Business Administration has just issued a 459-page directory of small businesses interested in doing development, engineering and manufacturing work on a contract basis. ment, engineering and manufacturing work on a contract basis. If you need technical help, a pilot model or special made-to-order part or subassembly, you'll find some 2,674 possible sources in the Directory. Firms are listed that can do work ranging from metal stamping, plastic molding, and packaging to big-think research work in physics, rocket fuels, and electronics. There are some 3,286 separate listings that give the firms' names, addresses, and capabilities. Write the Small Business Administration, Office of Information, Washington 25, D. C.

How to Keep Growing

Prosperity in the forthcoming new era, says Stahrl Edmunds, manager of Ford Div.'s economic studies department, will depend on industry's ability to create new markets for new things. The pressure upon businessmen is to bring new products into being rapidly enough to stimulate new demands, inspire a vision of a new way of living, and—through the new demands—foster new capital investment. These are the conditions upon which an early and expansive boom will be based, he predicted.

But if management cannot do these things, Edmunds warns, if business tries to get by, just making more of the same, the big new boom won't materialize at least until the mid-sixties when the full effects of the postwar population explosion will be felt in the form of a new surge of economic activity.

Purchasing Week







PUBLISHER: Charles S. Mill EDITOR: Edgar A. Grunwald Managing Editor: John M. Roach

News: William G. Borchert, Senior Editor Anna Leonard Harlow Unger, Anne Leonard

Price:
Robert S. Reichard, SENIOR EDITOR Dan Balaban

Products:

David Bressen, SENIOR EDITOR Lawrence J. Hoey

Aanagement:

William R. Leitch, Ira P. Schneiderman, Domenica Mortati

esentation:

Samuel Cummings, Allen C. Hoffman, James P. Morgan, Gail Gruner

Consulting Editors:
George S. Brady, F. Albert Hayes,
Robert Kelley
McGraw-Hill Economics Staff

Dexter M. Keezer, Director
Alfred Litwak, Douglas Greenwald
McGrow-Hill News Bureaus
John Wilhelm: Director
Margaret Ralston: M'ng Editor

ashington: George B. Bryant, Jr., CHIEF Glen Bayless, Donald O. Loomis, Roy L. Calvin, Arthur L. Moore, Anthony De Leonardis, John C. L. Donaldson

Billy E. Barnes Stewart W. Ramsey Arthur Zimmerman Atlanta Chicago: Cleveland: Marvin Reed Donald MacDonald Dollas: Detroit: Los Angeles: San Francisco: Kemp Anderson Jenness Keene Seattle: Beirut: Ray Bloomberg Omnic M. Marashian Morrie Helitzer Bonn: John Pearson John Shinn Caracus: Peter Weaver Mexico City: Moscow: **Ernest Conine** Robert E. Farrell

Sol Sanders Tokyo: Assistant to the Publisher Raymond W. Barnett Marketing Services Manager E. J. Macaulay

Leslie Warren

Rio de Janeiro

Circulation Manager Henry J. Carey Business Manager L. W. Nelson

PURCHASING WEEK is published weekly McGraw-Hill Publishing Co., Inc., James H. (1880-1948), Founder, PUBLICATION OFFICE 42nd 51., New York 36, N. Y. See panel b directions regarding subscriptions or change

of the publication, \$6.00 per cents; foreign \$25 per year Printed in U.S.A. Title regist Rce. © Copyrighted 1960 McG

SUBSCRIPTIONS: Send su and change of address of Purchasing Week, 330 W 36, N. Y. Subscribers al Manager promotive.

PURCHASING PARADE

Personal glimpses of P.A.'s as they march by in the news



What do Erie P.A.'s do to have a rewarding time? They take a Busman's Holiday. The group pictured above recently took a tour of the Chase Brass & Copper Co. in Cleveland, O. Ray Mildenberger, former president of the Erie P.A.'s won a stainless steel chafing dish for the closest guess of the current daily inventory of pounds of stainless steel. of stainless steel.

Speaking of what P.A.'s do in their spare time, you'll find that home crafts-manship ranks high as a leisure-time occupation (and usually a profitable

one, too.)

Here are four newsworthy examples:

• Michael L. Redmond, new Purchasing Director of Chicago's Weiss Memorial Hospital, spends much of his free time fixing up his new house in Roselle, Ill. Handy with hammer and

nails, Redmond takes his chores pretty seriously. (He also scores well in golf-under 90.)

• "Do-it-yourself" likewise is the motto of Warren Barton, Asst. Manager of Materials and Production Conager of Materials and Production Control Dept. of Consolidated Vacuum Corp. (Rochester, N.Y.) He recently completed a game-room for his four children. (He's also secretary-treasurer of the Rochester Chapter of NAPA.)

• Meantime, P.A. Charles A. O'Brien, new Senior Buyer of Raw Macariele.

terials at Thompson-Ramo-Woolridge (Cleveland), has a patio, garage, and many pieces of cabinetry to his credit.

many pieces of cabinetry to his credit.

He's a cool-weather wood-worker and a warm-weather golfer.

• Although civic activities—such as PTA, YMCA, and Elks—take up much of B. A. Carlson's spare time, he manages to "work in some doodling" which consists of carpentry and wood-

work. Carlson is Materials Branch Manager, Electronics Division, of Chance Vought Aircraft, Inc. (Dallas).

Next to carpentary and woodworking, gardening and photography rate high with the P.A.:

• John Soelch, Director of Purchas-

ing and recently appointed Vice-President of the Automotive Division of Studebacker-Packard Corporation (South Bend, Ind.), bends over double when it comes to taking it easy—he unbends from his desk just long enough to get to his home and bend over his roses. He's also an amateur movie enthusiast

Cameron F. Jones, newly-appointed division Purchasing Agent of Hercules Powder Co. (Wilmington, Del.), is a real camera man at heart. (Continued on page 31)

What's your policy in handling identical low bids?



I. J. Habeshian, director of purchasing, LaPointe Machine Tool Co. (broaches, broaching machines),

"On bid items we have preselected list of vendors based on their past performance of compar-able quality, service, and price. Our policy is to send out no more than four requests for quotation on any item. Assuming identical low bids do come in, the vendor who can best meet our delivery requirements receives the order. However, if all factors are identical, then we use a rotating system. Over a one-year period, this procedure bal out and each vendor receives his just share.



W. R. Kiefer, materials manager, Vought Aeronautics Div., Chance Vought Aircraft, Inc., Dallas:

"If, after consideration of cash discounts, there are identical low bids, and none of the vendors are small businesses or in distress labor areas, a selection is made by evaluating past performance and delivery, engineering assistance, and the FOB point. In the event that all things remain equal, then the appeller receiving the lowest volume of then the supplier receiving the lowest volume of business for the year is honored with the order."



J. M. Burgner, assistant purchasing agent, De Laval Steam Turbine Co. (turbine engines, pumps, compressors, etc.), Trenton, N. J.:

"We operate very successfully with a vendor rating system on a point basis. This system—which functions in full cooperation with our quality control, metallurgical, industrial engineering, and regular engineering groups—evaluates quality, carries and delivery expressions and delivery expressions and delivery expressions. service, and delivery performance on a very definite basis, so you see we have no trouble at all. The highest scorer gets the order. Incidentally, delivery these days goes a long way in determining



L. R. Feldman, supervisor of buyers, Leeds & Northrup Co. (measuring instruments, etc.), Phila-

"Price alone does not become the prime requisite in evaluating quotations. It has been my own personal experience that while quotations may be alike in price, suppliers usually are not. In a case where 2 suppliers submit identical bids, the past history of both companies is reviewed. Our aim is not to purchase the cheapest product but rather the product having the best value. With this in mind we try to remain loyal to a supplier who has proved himself over the years by giving the right quality, the right service, and the right price."



W. L. Walls, purchasing agent, Ithaca Gun Co., Ithaca, N. Y.:

We face this situation rather frequently but "We face this situation rather frequently but with only one type of product. In such a case, I choose the firm that has given us the best service in the past. Price is only one consideration when you place an order; delivery performance and quality are also important factors. I weigh the two companies' past business record and make my decision accordingly."



A. W. Gudal, purchasing agent, Lukens Steel Co. (steel plate, flanged heads, etc.), Coatesville, Pa.:

"We employ many criteria, the most important of which are: (1) dependability or reliability of the supplier in the past, (2) quality—can quality control furnish helpful data on their relative merits? (3) trade relations—provided other factors are at least equal, it is established policy to favor regular customers. In time these factors, as well as others, will be evolved into a vendor rating system. If the bids are from suppliers with whom experience has been limited or nonexistent, the names of users in our area are requested."

See next week's column for governmental pur-chasing agents' answers to this same question.

Follow-Up: Letters and Comments

Volunteers Services

New Rochelle, N. Y. I read with great interest your article in the June 20 issue regarding recent reports circulated in the newspapers on the many vidences of overpayment made by overnmental agencies ("Congressmen ry: Pentagon Pays Too Much for Too evidences governmental

Little," p. 1).

As the reports indicated, these specific instances of both abuse on the part of suppliers of the government and ineffective purchasing methods by the various purchasing divisions are so widespread that it seems to me it is time for industry to take a stand in ridding the government of this additional burden.

In this connection, I would like to set an example that I hope will be followed by industry-wide practices. I would like to

suggest that the government enlist the a sistance of fully qualified industrial purchasing agents to assist them in setting up not only the individual procedures required by industry on standard purchasing but to act as consultants and to assist, wherever possible, in individual purchasing situations.

For my part, I would be very happy to offer my services on a gratuitous basis to the government for at least one or two days per week as required. I do feel that the same evidence of cooperation from industry will go a long way toward ridding the government of the problems indicated in this article and set at rest civilian fears on over-appropriation and misuse of funds.

Vice President & Director of Purchasing Technical Tape Corp.



ALLEN is the dowel pin that gives you PLUSES!

Your ALLEN Industrial Distributor can show you a good many ways to use ALLEN Dowel Pins, in addition to conventional uses in tool and die work. You can use them as economical roller bearings, axles, precision plugs, hinge and wrist pins—and in many other

You can cut the cost of your product substantially, too—because your ALLEN Distributor can supply these strong, accurate, mirror-finished Dowel Pins in standard sizes right from stock.

Made of special Allenoy steel; surface hardened to 62-64 Rockwell C; precision ground to .0001" with micro-inch finish of 6 RMS max. Check your Allen Handbook or Catalog for detailed specs and standard sizes, or write direct for samples and technical information.



Genuine ALLEN products are available only through your ALLEN Distributor—he's always ready, willing and able to give you prompt, practical service.



ALLEN MANUFACTURING COMPANY

HARTFORD 1, CONNECTICUT, U.S.A.

Airlines Initiate 'Mutual Aid Pact' To Cut Cost of Parts and Supplies

on spiraling costs of spare parts

and supplies.

P.A.'s for some of the nation's biggest airlines, including United, American, Pan-American, and Trans-World Airlines, told PURCHASING WEEK they expect more vendor cooperation as a result of their program, which en-

 POOL BUYING: A "mutual aid pact" initiated by American, Pan-American, and TWA is proving highly successful in cutting costs and downtime of aircraft. Other domestic, and a few foreign carriers, are expected to join in the pool buying operation, which is in effect "pool ownership" of spare parts and supplies.

• VENDOR-HELD INVEN-

TORIES: Progress on this front is slow, but a few suppliers are beginning to hold larger quantities of emergency parts in stock. of emergency parts in stock. TWA, which spends almost \$50-million annually for spare parts and supplies, estimates it could save \$375,000 a year in one parts area alone if the manufacturer held a larger inventory.

SHIFT PURCHASES: Air-

line buyers have made it clear they would shift orders from present suppliers to other manufac-turers of standard parts including overseas firms and automotive suppliers if their costs don't come down.

A recent buyer-supplier con-ference in Kansas City, attended by airline P.A.'s and representa-tives from some 50 vendor firms, was aimed at winning more costwas aimed at winning more cost-cutting help from spare parts sup-pliers. One example pointed out, was the spare parts store opened late last year by Boeing Airplane Co. at N. Y. International Air-port for supply of heavily used items on jets.

items on jets.

The store, described as "a definite step in the right direction," offers over-the-counter spare parts service to airlines flying the 707 jet. Prepackaged ready-to-go spares are also sold at a similar Boeing facility at Orly International Airport in France. Main purpose of the stores is to provide fast service of parts at no extra cost. no extra cost.

Airline buyers agree the Boe-

harmine buyers agree the Boe-ing store has been a great help, but has not solved the parts prob-lem entirely. Officials would like to see more such stores dispensing the emergency parts most needed on jets.

F. G. Betts, TWA's vice president of purchasing outlined the rising costs problem at the Kansas City conference, then called for the following solutions:

(1) Cost of products must rise in closer relation to increases in

basic commodity cost.
(2) Vendors should review and

revamp their price policy.

(3) Manufacturers should begin long-range production aimed at larger inventories.

(4) Producers must work on a value-equals-use basis where pos-

(5) Purchasing agents for manufacturers must be reminded that their job is to get the best commodities at a reasonable

Other airline observers generally agree with the TWA stand, but feel that the large engineer-

New York—Airline industry purchasing executives have launched a three-pronged attack sible to base prices on value equals use

As a follow-up on the conference TWA has sent out a brochure reiterating the ideas and formula for manufacturer co-operation to "needle" the parts producers. The booklet points up specific instances of overpriced parts and puts the need for action directly to the particular solids to liquids can be done by parts manufacturer concerned.

Double Duty Tank Truck

Baton Rouge, La.-A doubleduty tank truck that converts quickly from a carrier of solids to a carrier of liquids has been developed by Delta Tank Mfg. Co., Inc., a subsidiary of General Gas

The truck can be used to haul such materials as dry cement, fly ash, lime, baking flour and fuel oil. It uses a pneumatic discharge system and is designed for un-loading at 25 to 30 psi pressures (which means it can unload 100 bbl. of dry cargo in 20 minutes).

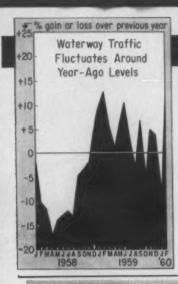
Conversion of the carrier from



DOUBLE-DUTY DELTA TANK TRUCK, to be sold by Trailmobile, Inc., can



ROADWAY EXPRESS, INC. • 147 PARK ST. • AKRON, OHIO



RETURN HAUL BARGAIN: The trucking industry has won a partial victory over private carriage—one that may add up to substantial savings for shippers now and in the near future.

The ICC rolled results that the results are th

The ICC ruled recently that bulk commodity haulers by tank truck may offer reduced rates on return hauls, within limits, to attract a greater volume of traffic. While the decision applies only to tank truckers, some industry sources believe it will be extended eventually to other segments of the trucking industry.

The commission pointed out that changing conditions—more bulk traffic moving by private carriage—justify the competitive tool of lower return-haul rates, provided the total charges for the round trip are "reasonably compensatory."

ANOTHER TRUCK BATTLE: Alarmed over the growth of

shipper groups operating under the guise of exempt shippers'

The association claims that many such motor carrier operations actually are unauthorized for-hire transporters. The truckers now join the freight forwarder industry in an effort to put shipper cooperatives under ICC regulation.

"SELLING" A PORT: Shippers of general cargo throughout the Midwest are being bombarded by "Chambergrams" from Phila-delphia's Chamber of Commerce in an attempt to "sell" them on using the Port of Philadelphia.

ANOTHER TRUCK BATTLE: Alarmed over the growth of shipper cooperatives in the motor carrier field, the National Motor facilities" at the port and call attention to "costly" operations in

other areas. It's a combination of "hard-sell" and "soft-sell." .

BUMPS AND GRINDS: The Maine Central Railroad has in-

troduced a new gadget that registers the severity of shocks and bumps, a part of its continuing "perfect-shipping" campaign.

The pendulum-like instrument, called an "Iracetteership in its continuing to the continuing of the continuing of the continuing its continuing that it is not continued to the continuing of the called an "Impactograph," signed primarily as an educa-tional tool to impress switching crews with the importance of smooth, efficient coupling of freight cars.

BROADER • CONTRACT RATES: The rapid move toward "contract rates" by U.S. rail-roads may be given further impetus by a new Canadian rail plan—to broaden the conditions under which railroads and a

shipper can agree on such a rate. The plan involves a substantial lowering of the proportion of a commodity a shipper must deliver to contracting railroads in order to obtain a special "agreed" "contract" rate.

A shipper normally is required to ship between 80% and 90% of his total traffic of a specific commodity over the railroads to gain the special rate. But in an agreed rate proposed by the agreed rate proposed by the Canadian National and Canadian Pacific railroads this proportion would be cut to 65%

A NEW ENGLAND FIRST: New England Air Lift, Inc. of Boston has been granted operat-ing authority to serve as an indirect air carrier shipper from New England to cities throughout the world.

This gives New England its first international air freight forwarder with general offices based in the area.

INCENTIVE PIGGYBACK RATES: The Eastern Railroads are seeking ICC approval of incentive commodity rates for piggyback traffic. The proposal provides for a 2% reduction in present rates for the first 4,000 lb, of freight in excess of the lb. of freight in excess of the 30,000 lb. minimum weight, with an additional 2% reduction for each 2,000 lb. more, up to a maximum of 40,000 lb. per trailer.

WHISTLESTOPS: Higher minimum rates ranging from 2½% to 4% above present rates go into effect Aug. 12 on general commodities hauled by truck in the city of San Francisco. . . . The rate committee of the Eastern Central Motor Carriers Assn. refused to adopt a proposal to increase all rates and accessorial charges 5% on shipments moving between the East and Middlewest and Southwest. WHISTLESTOPS: Higher

GAYLORD SETS THE STAGE FOR SMOOTH AUTOMATIC PACKAGING

Plan a happy ending for your automatic packaging. Buy containers that fit your machinery precisely flow through your lines without a stumble or a fluff.

Gaylord produces such containers, with letter-perfect precision, in any number you need. Get the whole story from your Gaylord Man. He'll turn in an award-winning performance.

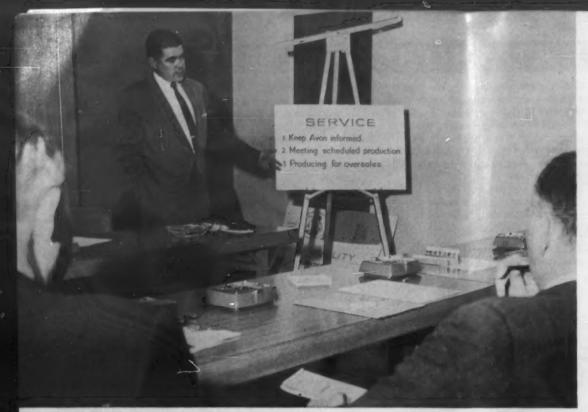




CROWN ZELLERBACH CORPORATION GAYLORD CONTAINER DIVISION



HEADQUARTERS. ST. LOUIS



AVON TELLS VENDORS at face-to-face conference what's expected of them, and why.



TWO-WAY EXCHANGE averts a color standards

How Avon Gets Vendors on Its Managen

E count on vendors as much as we count on our own people. There's no room for either of us to fail." That's what Harold Fulton, Director of Purchases at Avon Products, Inc., told the men from Lord Baltimore Press, one of Avon's cosmetics packaging suppliers. "You are partners with us in the business of selling cosmetics."

These straight-from the shoulder words are typical of Avon's brand of vendor relations. Avon doesn't beat around the bush at its vendor conferences, shown in the photos above. Hal Fulton expects Avon's suppliers to be equally frank, and bring up problems that they have in servicing the Avon account. This interchange of ideas sets the stage for the hard work that Avon expects from its vendors.

The payoff is bigger sales of Avon cosmetics and toiletries, for, as Fulton notes, "We have to sell before you can sell to us." This means that Avon suppliers are literally on the Avon management team, with their efforts backing up the calls of some 100,000 sales representatives.

BUILDS VENDOR TEAMWORK

Avon's Purchasing Department builds vendor teamwork through face-toface conferences (as with this Baltimore printer) between suppliers' salesmen and plant production people and Avon's own plant managers and foremen. Avon finds that when suppliers' production men get first-hand reaction from comparable-level Avon supervisors about their products, the vendors make a little extra effort supplying Avon's packages and materials. This little extra in

service and delivery builds more sales for Avon, and more for the vendor,

Avon's buyers also work closely with vendor salesmen and engineers in their search for and development of new ideas. They visit vendor plants, hunting for new packaging materials and unique applications of products never before used in the cosmetics industry (see photos below). Avon's purchasing department often has carried ideas on through the development stage, making up sample dies and models, then presenting them to the marketing people. Such an example is the two-color plastic molding process used for such items as lipstick containers (see photo below).

This idea came from Bob Williams, an Avon P.A., who thought the type of molding used to permanently mold letters into telephone dials had cosmetic packaging applications. Avon's purchasing department had molds made for a test run on a current container. The marketing people were so enthusiastic about the results that they designed a lipstick container to use the process.

RATING SYSTEM CHECKS PERFORMANCE

Once Avon has decided to buy, a comprehensive vendor rating system checks out the supplier's performance. Avon keeps records on delivery promises, quality control and rejects, as do many P.A.'s. But that's not all: The good points are noted, too, and vendors get a pat on the back for superior performance at the bi-annual reviews that Avon holds with top vendor managers.

Sam Lambert, Avon P.A., explained to the Lord Baltimore men, "We keep



AFTER-SHAVE LOTION container has vendordeveloped high-gloss gold label pressed deep into plastic cap. Transparent label around bottle itself is vendor-adapted from bread wrappers; lets customer view green liquid.



CLOSURE for this jar of eye cream has deep color, fine detail permanently laminated into the plastic. The process, used for printing designs on plastic dishes, was adopted by Avon buyer with help of vendors.



TWO SLEEVES of printed cardboard inclose a box of dusting powder. This method offers greater protection for products and design flexibility. It saves Avon money, but also gets product to consumer in better shape.



onflict between Avon and packaging supplier.



VENDORS TELL AVON what they can do to solve other problems, help Avon sell more.

t Team and Profits From Their Suggestions

track of the good things, too, like shipping exactly on schedule, and help on oversell orders. Also, we appreciate when you keep us informed on delivery by calling up about shipments."

ORGANIZING FOR CREATIVE PURCHASING

Avon buyers use a creative approach to purchasing, because they've seen that their job should be more than merely getting a few bids. They help develop new products and packages, and they can see the results of their work in booming sales of products such as those shown below.

Fulton looks at the job this way. "Our job in purchasing is to sell Avon merchandise, just as much as our sales representatives. If you can't sell, what point is there in buying?"

Fulton's concept of selling enters purchasing activities several ways. The line of cosmetics and toiletries includes some 200 regular items, plus special gift sets and other seasonal cosmetics, or a total of about 400.

Avon changes its sales pitch through its salesladies (you've heard the "Avon Calling" ad) 18 times a year, and each time there's a change, there's a change for purchasing. For instance, Fulton has a 20-foot chart in his office that schedules a season's worth of packaging development and procurement.

However, not everything goes according to plan in a fashion industry. Some items catch on and take off—such as Whitie the Whale last year—selling far better than anyone had expected. This would give some P.A.'s ulcers. "Who in the name of heaven can predict what fashion will be next year," says Fulton.

It's then that suppliers have to jump to Avon's aid, with quick delivery of additional supplies. "The only way is to have a group of suppliers that recognize that our major objective is to sell more merchandise, and who are willing to help us deliver the hot items," Fulton said in describing the problem.

Avon has a policy that it won't back order any shipments to their sales representatives, because they feel that prompt delivery is very important to sales. Short orders disappoint the customer, and also the saleslady, since she doesn't get paid until she delivers the cosmetics. "No excuse you can give 100,000 women is good enough," says Fulton.

It's here that the vendor relations program has big dividends. Fred Fusee, manager of Avon's plant at Suffern, N. Y., noted that the plant had "shipped millions of pieces of merchandise in the past 12 months with no short deliveries. It's our best record in 74 years."

HOW VENDOR CONFERENCES HELP

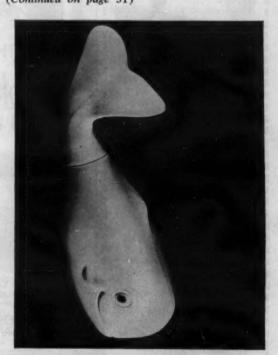
Avon believes the vendor conference program is the key to getting good operating results with purchased materials. Fulton tries to have one meeting a month with a major vendor, and he requests that the vendor be represented by the salesmen who call on Avon, other managers in the marketing group up to vice-president of sales, and equally important, production managers, quality control supervisors, and production foremen. These day-long meetings are held in the Suffern plant, so suppliers' men get a firsthand chance to view (Continued on page 31)



WHITE PEARLIZED polyethylene container is a first in packaging for Avon and vendor. Supplier worked up sample package which made a silky-gloss, luxurious squeeze-bottle that's both unbreakable and attractive.



TWO-COLOR MOLDING gives cameo-like beauty to lipstick container. The process is similar to that used to mold numbers into telephone dials. Avon developed the process in cooperation with one of its suppliers.



WHITIE THE WHALE contains bubble-bath soap in his plastic belly. Avon P.A. Williams had packaging idea; carried through design and material development with aid of vendors. Container gives sales appeal to the product.

How much do you really pay for



When a critical bearing fails or an insulator cracks in service, the re-sponsibility could be yours . . . if you specify the source for Teflon

In most cases, internal voids and flaws in TFE stock shapes don't show up until it's too late . . . until ducts fail or after expensive rejects start piling up. And how do you put a price tag on these losses in time, material, customer good will and your reputation?

You can prevent it by buying only Teflon of known internal quality and uniformity. And you get it

Ultrasonic testing, a new exclusive Polymer quality control, guarantees you this uniformity. It quickly detects internal flaws which ordin would pass even the closest



That's why, when you specify POLYPENCO® you can be sure you get TFE stock shapes with constant electrical and physical properties so necessary for end-product reliability and efficient waste-saving production. Remember this next time you tion. Remember this next time you compare Teflon "prices". Quality makes the important difference.

A complete line of POLYPENCO TFE rod, strip, sheet and tubing is available coast to coast. Call or write today for fast delivery or engineering assistance.



THE POLYMER CORPORATION Reading, Pa.

P/W REPORTS ON RESALE PRICES

Latest Auction Prices

Auction held at Buffalo Metal Container Corp., Buffalo, N. Y. Auctioneer: Industrial Plants Corp.

(1952) Cincinnati 90-10 power press brake. \$2,550.

(1952) Niagara 8-8 circle shear, 16-in. throat. \$2,250. Nicgara A41/2 openback inclinable press. \$3,000.

Ferracute PG6 backwheel press. \$650.

25 Lincoln and Westinghouse arc welders. \$60 to \$110.

Oxweld CM 15-36 flame cutter. \$550.

DoALL V36 metal cutting bandsaw. \$1,600.

Racine shear cut hacksaw. \$600.

Buffalo 11/2 armor plate universal ironworker. \$4,000. (1952) Pangborn 10 x 12 x 25 shotblast room. \$3,000.

Pangborn 6-ft. table-type Rotoblast unit. \$1,350. (1951) Ingersoll-Rand ES1 horiz. SS air compressor. \$4,100.

(1952) Webb 6L 10' x 1/4" pinch bending roll. \$6,200. (1953) Michigan C16 crawler crane. \$4,000.

Clark #6000 gas engine forklift truck. \$850.

Clark #4000 gas engine forklift truck. \$500.

Buffalo 1 BR angle bending roll. \$5,400.

(1956) Wysong & Miles 1025 power squaring shear. \$9,000. Reed Prentice 16 x 48 geared head toolroom lathe. \$1,450.

Sibley 24-in. upright floor-type drillpress. \$180.

Auction held at Remington Arms Co., Inc., Park Forest, Ill. Auctioneer: Industrial Plants Corp., Chicago.

(1956) Brown & Sharpe #4 automatic screw machine with vertical slide attachment, bar feed, pushbutton control. \$16,500.

(1948) Brown & Sharpe 2-G automatic screw machine. \$6,000.

(1952) Brown & Sharpe 2-G automatic screw machine. \$8,000.

(1942) Acme-Gridley 11/4-in. RA-6 automatic screw machine. \$5,000. (1942) Acme-Gridley 11/4-in. RA-6 automatic screw machine. \$5,700.

(194-) Moore precision jig borer. \$4,000.

(194-) 12 x 24 x 18 Thompson hydraulic surface grinder. \$4,000.

(1942) Gleason 7-A gear generator. \$3,600.

(194-) Lester Phoenix die-casting machine. \$6,000.

IUNE 1

Auction held at Gill Glass & Fixture Co., Philadelphia. Auctioneer: Industrial Plants Corp.

U. S. Model 33 multi slide machine. \$3,100.

Look of Quality

IS IMPORTANT

duced by G.E.I., will be viewed by discriminating eyes. It's a thermostat housing for air conditioning controls manufactured by White-Rogers Co., St. Louis, Mo., for installation in fine homes, exclusive clubs, hotels, restaurants and other establishments. G.E.I. extrudes this part, cuts to size, blanks and drills, then painstakingly hand polishes, chemically bright dips and gold anodizes it proving once again aluminum can be richly beautiful. The unblemished, soft for aluminum with emphasis on quality appearance, let a G.E.I. representative tell you why G.E.I. can fill the bill better for less.

GENERAL EXTRUSIONS, INC. O LAKE PARK RD., YOUNGSTOWN, OHIO Sales Offices at St. Louis, Chicago, Pittsburgh, Cleveland, Cincinnati, and Chattanaoga

24-in. heavy duty crank shaper. \$225.

Craftsman 6 x 36-in. bench lathe. \$180. Monarch 20 x 8 engine lathe (old). \$225.

Machine Tool Outlook

Buyers are looking forward to the September Machine Tool Exposition because it could have important repercussions in used machinery markets.

Expected influx of new tools

will be freeing a lot of good used

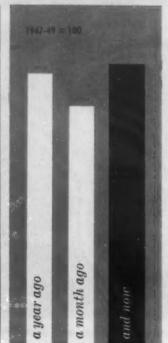
equipment for resale.

But it isn't likely that whole plants full of used machinery will be put on the market at once. Rather, these used machines will be sold off piecemeal as the new machines come in. For this rea-son, it is likely that the replaced tools will be released to dealers a few at a time, instead of going in big blocks at auction.

This gradual influx of comparatively late model machines probably will do little or nothing to used machinery prices. The reason is that sellers will be out to get every cent they can for re-placed machines.

And they'll need it—to help amortize the high cost of new ones, which because of their complexity and because of rising prices over the last few years, cost much more than their coun-terparts ten or even five years ago. Whether or not the sellers will

get their asking prices, what with so many good machines coming on the market over a short period, remains to be seen.



But one thing is certain, a tremendous buying surge for new machines is bound to create a tremendous selling surge for used ones. Prices aside, this situation will bring a better quality of used machines into the market than we have seen in several years.

Bliss #11/2 double-action punchpress (old). \$300. Pexto 30-in. hand-operated circle cutter. \$150. Amsler Morton 4-ft. decorating lehr. \$2,300.

Standard Knapp automatic carton gluer. \$900.

Ferracute DA3 30-ton press (old). \$150.

Aircraft marine power punchpress. \$100. 20 kva Universal spot welder with controls. \$35.

10 kva Acme spot welder. \$70.

Two Gehnrich gas-fired paint baking ovens. \$900 and \$1,400.

Hamilton 28-in. upright floor-type drillpress. \$50.

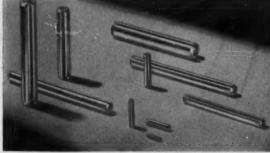
Four DeVilbiss 5 x 5 x 6-ft. paint spray booths. \$60 each.

Paasche automatic continuous-belt sprayer. \$300.

Two Artos CS-6-E automatic wire stripping machines. \$375 each.

(Coming auctions and sales appear on page 21)

Now! For superior electrical properties...



SEL-LOK spring pins in beryllium copper

• High conductivity.

Nonsparking and nonmagnetic. Self-locking.

Excellent corrosion resistance.

Swift, economical fastening (just drill and drive).

60% the strength of carbon steel.

101 uses—as keys, axles, cotter pins, hinge pins, stop pins, pivots, etc.

• Sizes from 1/16 x 3/16 to 1/4 x 31/2 in.

Send for Bulletin 2331-complete information on Sel-Lok spring pins, including those made of carbon and corrosion-resistant steel.

INDUSTRIAL FASTENER Division



JENKINTOWN 48, PENNSYLVANIA

Foreign Perspective

London—A British automotive supply firm is congratulating itself on winning an order for leaf springs from Ford Motor Co. against what it describes as "strong continental opposition."

The contract, which went to Toledo Woodhead Springs, Ltd., is for two years' supply of 4,000 leaf springs a week for rear suspensions of Ford's 1961 models, with first delivery slated for September. The 1961 Falcon is believed

to be specifically involved.

Frank Woodhead, chairman and managing director, said the order may be doubled if Ford is satisfied with delivery and quality. Moreover, he implied that this contract may represent an important policy departure on the part of the Big Three in going outside of the U.S. to find components of comparable quality at lower cost. He expressed optimism that U.S. auto makers eventually may place as much as 20% of their orders for accessories with European

London-Tin and rubber prices, which have been on a parallel climb all year, look as though they may part company.

While the tin price outlook continues quite firm, on the heels of the recent

Tin Council agreement, rubber seems to be heading for a slide—as a result of the sudden slowdown in Red Chinese and Soviet purchases.

Singapore supplies have been far more plentiful in recent weeks, and the price picture there remains unsettled. Normally, the Communists go after the best grade, which was in short supply earlier in the year.

Renewed buying by Communist countries, of course, would clear the price

situation up. On the other hand, it could create shortages of top grade rubber

Coming Auction Sales

JULY 13

J. M. Leach Co., Kokomo, Ind.
Welding and sheet metal equipment.
WRITE, WIRE, PHONE: Samuel L. Winternitz & Co., First National Bank Bldg., Chicago 3. STate 2-5908.

Ainsworth Manufacturing Co.,

Springfield, Tenn.
71 PRESSES: openback inclinables to 70 tons; SS, single and double-crank to 250 tons, horning and coining presses. Roll formers, welders, millers, lathes, grindshapers, plating and polishing equipment.

WRITE, WIRE, PHONE: Industrial Plants Corp., 90 West Broadway, New York 7.

BArclay 7-4184.

Shirley Corp., Indianapolis. Steel fabricating machinery, presses, brakes, shears, toolroom equipment; tools, jigs and fixtures for making steel

WRITE, WIRE, PHONE: Samuel L. Winter-nitz & Co., First National Bank Bldg., Chi-cago 3. STate 2-5908.

JULY 18 through 22

Pusey & Jones Corp., Wilmington, Del. Heavy and medium machine tools, heavy-steel-plate-working machinery, production and toolroom equipment, structural steel and sheet metal fabricat ing equipment, wood pattern shop, lab

write, WIRE, PHONE: Samuel L. Winter-nitz & Co., First National Bank Bldg., Chicago 3. STate 2-5908.

Ainsworth Manufacturing Co., Springfield. Tenn

71 PRESSES: single and double crank, SS to 250 tons capacity, openback inclinables to 70 tons. Horning and coining presses. Roll formers, welders, millers, lathes, grinders, shapers, plating and polishing equipment.

once again. Just to be on the safe side, many buyers here are looking into the possibility of switching to synthetics should the Reds start on another spree.

-The similarity between Canada's current business woes and those of the United States is focusing attention anew on some past proposals for a greater trade tie-up between the two old and staunch North American allies.

Some of the dark spots in the business picture north of the border should sound pretty familiar to American P.A.'s:

The situation in this industry was best summed up by Frank A. Sherman, chairman of Dominion Foundries and Steel, Ltd.: "We don't know where Canada is going or where steel is going."

His comment coincided with a 1,177-man layoff at the company's Hamilton works and a blast furnace shutdown at Steel Co. of Canada. In fact, steel manufacturers around the country are all reporting a fall off in demand, pro-

duction curtailments, and layoffs.

ELECTRONICS. Spokesmen for this industry told the Canadian government they are under a death sentence from foreign competition, unless they get some immediate tariff relief.

. E. Currie, of Dominion Electronics described the situation this way: "If the present rate of increase for the import of Japanese tubes continues, within two years we will have no tube industry in Canada."

APPLIANCES. Sales are down as much as 20%, with many industry leaders predicting they'll simply have to close up their factories for about a month this summer. The problem seems to be similar to the one in England and the U.S.-overproduction. As a result, there's been a great deal of distress selling and price cutting.



"I figure we're saving 25% on charts!"

"By using only GC Recording Charts, we buy quality charts at the lowest prices and save plenty more in time and clerical work.

You save three ways when you standardize on GC Recording

1. Efficient production by the world's largest chart specialists makes possible lower prices.

2. Periodic shipments get you the charts you need, when you need them. At the same time you place only one order-get the bulk price.

3. Additional savings in time and clerical work are yours because you deal with only one salesman and write only one order instead

As for quality, you can count implicitly on GC just as over 5,000 users are already doing.

GC maintains a catalog selection of over 15,000 different types of circular, strip and rectangular recording charts. Custom production orders receive prompt, expert attention. Write for Stock List and samples



RECORDING CHARTS

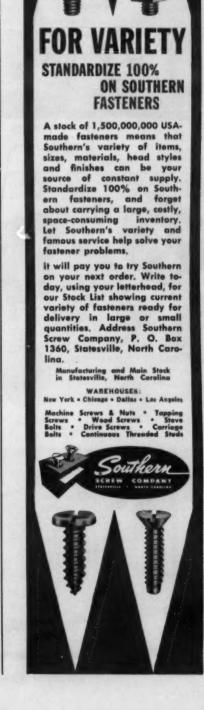
DISTRIBUTED BY:

TECHNICAL SALES CORPORATION

A SUBSIDIARY OF: GRAPHIC CONTROLS CORPORATION

Buffalo 10. New York







Picture product recognition



Radio Receiver

Uses Little Power

Transistorized personal radio communications receiver weighs only 12 oz. (with battery) and consumes little power. The person wearing the device may be instantly contacted by a base station transmitter or a portable unit cumping on the same free unit running on the same fre-

Price: \$345. Delivery: immediate.

General Electric Co., Communication Products Dept., Lynchburg, Va. (PW, 7/11/

- Size permits you to paste Copy gives only pertinent
details, cuts your
reading
How much it costs and how soon you can get it You'll know when item oppeared

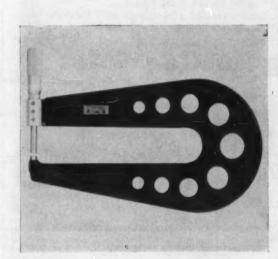


Tabulating Form

Simplifies Record-Keeping

Tabulating form with car-bon interleavings has a de-tachable card check on its face. Recommended for systems and procedures in purchasing, invoicing, and inven-tory control, the form is available in depths from 5 to 11 in. and in widths up to

Price: approx. \$25 per thous. Delivery: 8 to 10 wk. Consolidated Business Sys-tems, Inc., 400 Jersey Ave., New Brunswick, N. J. (PW, 7/11/60)



Micrometer

Is Shockproof

Micrometer can measure thicknesses from 0 to 4 in. in rolling mill stock or sheet metal. Frame sizes from 3 in. to 9 in. are available. Units feature shockproof design, and come with either standard reading micrometer head or digital reading head. Price: \$24 to \$50 (digital reading, \$27.50 extra). De-

livery: immmediate.

J. T. Slocomb Co., 65

Matson Hill Rd., So. Glastonbury, Conn. (PW, 7/11/60)

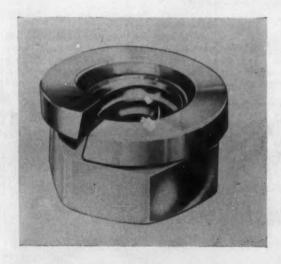


Tape Punch

Integrates Adding Machine

Data punch unit produces 5, 6, 7, or 8-channel punched tape at a rate of 20 characters per sec. from related 10key adding machine. Func-tion selector control lets operator punch items, totals, or both. Unit can perform a variety of plant and office analytical work.

Price: approx. \$2,000. De-livery: 120 days. Victor Adding Machine Co., 3900 N. Rockwell St., Chicago 18, Ill. (PW, 7/11/



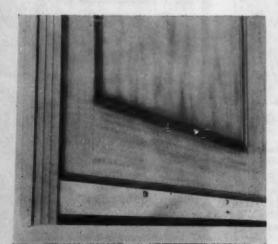
Fastener

Rotates Under Pressure

Fastener combines nut and helical spring washer, perma-nently held together but free to rotate when pressure is ap-plied. Helical spring washer design boosts reactive range and spring tension of the assembly, reducing failure from rapid thermal expansion or contraction.

Price: \$7.26 per thous. (1/4 in., plain finish). Delivery:

immediate.
Eaton Mfg. Co., Reliance
Div., Massillon, Ohio (PW,
7/11/60)



Door Bottom

Shuts Off Draft

Door bottom automatically presses tightly against sill when door is closed, but remains upraised when door opens. Device, designed for interior use, shuts off drafts, dust, and noise. Standard sizes are 28 in., 32 in., and

Price: approx. \$3. Delivery: immediate.

Reese Metal Weatherstrip
Co., 712 Park Ave., Minneapolis 15, Minn. (PW, 7/ apolis 11/60)



Torch

Cuts Thick Steel

Cutting torch has injection-type mixing chamber and valve system to give a controlled application of oxygen and consequent uniform gen and consequent uniform cutting action. The torch, available with 70 deg. or 90 deg. head, can cut steel up to 15 in. thick, and works with a variety of fuel gases.

Price: \$42.50. Delivery: immediate.

Wedlit Inc. 990 Oakman.

Weldit, Inc., 990 Oakman Blvd., Detroit 38, Mich. (PW, 7/11/60)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



Insulating Tape

Bonds Easily

Silicone insulating tape works at temperatures from
—130 F to 500 F on cables, coils, bus bars, and electrical and electronic units. Tape requires only contact pressure to bond to itself, and is said to give a smooth wrap on complex shapes.

Price: \$7.90 lb. (in sizes from .040 x 11/2 in. to .080 x 11/2 in.). Delivery: 2 to 3 wk.

Minnesota Rubber Co., 3630 Wooddale Ave., Minne-apolis 16, Minn. (PW, 7/11/ 60)



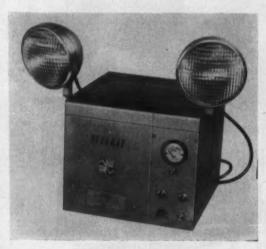
Toolbox

Made of Steel

Machinists' chest with top till and 7 drawers is wide enough to hold a 24 in. scale, 1/4 in. drill, and other long tools. Drawers are felt-lined, and each removes easily through the workings of a spring-catch device. Design of chest is heavy-gage steel. Price: \$39.95. Delivery:

immediate.

Kennedy Míg. Co., 200 Harrison St., Van Wert, O. (PW, 7/11/60)



Battery Unit

Gives Emergency Light

Battery unit, running with-out switches or dials, sup-plies emergency lighting. The 6-v. nickel-cadmium device has a transistor to monitor its charging circuits and battery voltage, and a visible meter to indicate its voltage level. Unit recharges fully in 12 hr. Price: \$233.75. Delivery:

Electro Powerpacs, Inc., 5 Hadley St., Cambridge 40, Mass. (PW, 7/11/60)

Purchasing Week Definition

Floor Surfacing Materials

- Linoleum. Popular for office use because of its resilience, linoleum should be installed on an underlayer of felt or mastic, rather than cemented directly to wood or plastic. Linoleum will not stand subfloor dampness, and is not suitable for exposure to acids, alkalis, oils, gasoline, or moisture.
- Rubber tile. An excellent surface for offices, laboratories, and locker rooms, rubber tile is resilient and abrasion-resistant. However, rubber tile should not be used below grade, and, if used on the ground floor, it re-
- quires a waterproof underlayment and an adhesive.
- · Asphalt or mastic tile. Unlike linoleum or rubber tile, mastic tile gives good service on floors below grade. It will withstand moderate moisture exposure if laid with waterproof adhesive. Heavy-duty mastic works well in packing rooms.
- Plastic-resin tile. Resistant to oils, fats, greases, acids, alkalis, and moisture, plastic-resin tile gives better service than asphalt, at a considerably higher price. (PW, 7/11/60)

This Week's-

Product Perspective

• Union Carbide has enlarged the field of entrants in the "year-round" antifreeze race with the announcement of Prestone Long-Life Coolant, The new product joins Dowgard (Dow Chemical Co.) and Telar (DuPont).

All the new antifreezes (or year-round coolants, as the manufacturers prefer to have them called) have basic similarities. They are designed for all weather, year-round operation at almost any temperature extremes and have built-in rust and corrosion inhibitors. Added bonus: cooling in summer in addition to preventing freezing in winter. The new materials let car radiators run cooler and help to prevent overheating.

- Reason why there has been so much summer talk about traditional cold weather antifreeze is purely a marketing one. Manufacturers want to introduce new coolants to the public in the fall-in time for next year's winter season. This means that they must acquaint dealers with the new products now—while they are planning for the fall. Marketing also plays a big part in the basic concept of the year-round antifreezes. About 60% of U. S. antifreeze is now sold in October and November, with most of the remaining 40% going in December and January. Makers hope that widespread adoption of a year-round coolant will help level out the buying period.
- The all-year antifreezes should find a ready market in fleet cars and trucks, where the cost of making the yearly switchover may outweigh the price of the antifreeze itself. A recent survey by the Good Car-Keeping Institute found that over 50% of fleet owners have been leaving regular antifreeze in the radiator from year to year. The new permanent varieties should boost this percentage appreciably.

Here's how the new year-round coolants stack up:

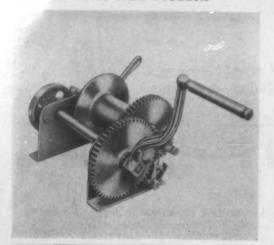
• Dowgard. This is the most drastic departure from traditional antifreezes. Unlike conventional products (where a concentrated antifreeze is added to the water in the radiator) Dowgard is designed to fill the entire cooling system. Dow mixes its antifreeze with de-ionized water—sells the mixture for \$2.29 a gal. (\$12 worth is said to protect the average car).

The de-ionized water is aimed at preventing rust, corrosion and clogging. Dow is recommending a complete replacement of Dowgard after a year.

- Telar. The DuPont product, at \$5 per gal., calls for the addition of water. Telar is designed for permanent use—with only occasional additions needed to replace losses. A built-in color signal changes from red to yellow if trouble develops in the cooling system.
- Prestone Long-Life Coolant. Union Carbide's new product will sell for the same price as Telar, \$5 per gal. The company declines to say how long the new antifreeze will last, says it provides "superior protection for extremely long periods." Union Carbide will continue to stress regular Prestone in its marketing programs.
- New freezing process for converting saline water to fresh is being developed by Struthers Wells Corp. of Warren, Pa. and Scientific Design, Inc. The companies are getting a government contract to build a pilot plant. The process produces ice crystals about 1 mm. dia., instead of the 0.1 mm. ones made by other systems. The bigger crystals makes it easier to wash and drain the brine from the ice.
- Manufacturers of printed circuits soon may be able to print the circuits in one step—eliminating all complicated plating and screening. Sinclair and Valentine Co. is field testing new electroconductive printing inks that have enough conductivity to permit direct printing—with substantial reductions in circuit costs for mass-production applications.

Now under test: moisture-set black with resistances (measured at 1/8 in. electrode distance) of 2,000-40,000 ohms, heat-set black at 5,000 to 50,000, and silver (moisture-set and heat-set) with a range of 50 to 5,000. These values apply only when the ink is deposited as a continuous film.

• Metal filament wound plastic structures are now being evaluated by the aircraft industry. Exceptionally high tensile strength (315,000 psi.) and modulus (20.3 x 106 psi.) have been obtained experimentally for unidirectional laminates using 94% steel wire (0.0005 in. in dia.) by weight in an epoxy binder. Even with these high values, strength-to-weight ratios are still lower than those of glass filament wound structures.

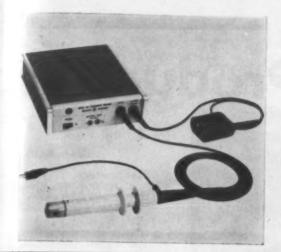


Is Portable

Portable hoist mounts on cranes, booms, derricks, or material elevators to handle loads up to 4,000 lb. The device has steel machine-cut gears, drum, and frame, and a spring-loaded ratchet pawl to hold a load still when the operator releases pressure on crank.

Price: \$120. Delivery: immediate.

Sasgen Derrick Co., Dept. PW-7, 3101 W. Grand Ave., Chicago 22, Ill. (PW, 7/11/



Current Probe

Clamps on Wire

Current probe clamps around wire to provide an a-c voltage for direct reading on conventional oscilloscope or a-c voltmeter. Applications a-c voltmeter. Applications include measurements on transistors, vacuum tubes, and logic circuits.

Price: \$190. Delivery: 14

Hewlett-Packard Co., 275 Page Mill Rd., Palo Alto, Calif. (PW, 7/11/60)

Product Briefs

Automatic die casting machine has push-button controls and interchangeable casting heads for cold chamber or hot chamber apcold chamber or hot chamber applications. Units have toggle levers for die locking at very high specific pressures, and are available with locking forces from 50 to 800 tons, specific injection pressures from 1,000 to 33,000 lb./sq. in., and maximum weights per shot in aluminum from 1 lb. to 33 lb. Eric P. Cahn, 225 Lafayette St., New York 12, N. Y.

Elevator furnaces are available in 32 models for processing a wide variety of metals at temperatures up to 2,300 F. Units have load heights from 12 in. to 66 in., and inside retort diameters from 12 in. to 48 in. The machines maintain low dew points critical brazing, annealing, hardening, and sintering opera-tions. They can handle heavy or light, cylindrical or rectangular loads. Harper Electric Furnace Corp., 110 Pearl St., Buffalo 2, N. Y.

Phosphating compound simultaneously cleans and phosphates iron, steel, and zinc. Producing a smooth and professional actions and professional actions. smooth and uniform phosphate coating, the compound assures paint adhesion and prevents quick rusting of metals before painting. Turco Products, Inc., 24600 S. Main St., Wilmington, Calif.

High interrupting capacity fuses are recommended for use with safety switches, interrupter switches, combination starters, panelboards, and controls. Availamp., 600 v. (or less) ac, with an interrupting capacity of 200,000 amp., rms, symmetrical. General Electric Co., Schenectady 5, N. Y.

Bench model centrifuge with built-in safety shield uses five in-terchangeable rotors for batch or continuous flow separations. Five heads of device may be spun at low or high speed to a maximum of 17,000 rpm. Bearings in centrifuge are permanently lubricated. Lourdes Instrument Corp. (Div. of Labline, Inc.), 53 St. and First Ave., Brooklyn 32, N. Y.

Combination toggle switch and circuit breaker is designed for use in radio and industrial electronic and electrical gear, eliminating need for replaceable fuse, fuse holder, and switch. Unit has a dielectric strength of more than 3,500 v. and will withstand shocks of up to 50 G. Special magnetic assist provides split-second tripping at heavy overloads. Wood Electric Corp., 244 Broad St. Lynn Mass. St., Lynn, Mass.



"ALCOA ALUMINUM OFFERS A CHOICE OF TWO SCREW MACHINE STOCK ALLOYS FOR STRENGTH: 2017 AND 2024!"

Precision-made, high-volume screw machine parts cost less in aluminum

Here are the strongest of all Alcoa® Aluminum screw machine alloys. Both will give you superb machinability. Both will give a fine, clean finish. Alcoa Alloy 2017-T4 or -T451 is exceptionally good for deep drilling operations. Alloy 2024-T4 or -T351 offers high shear strength . . . which makes it a popular choice for fasteners and fittings. These alloys will give three times as many parts per pound as other, heavier metals, raise your profits by cutting your over-all unit costs.

Ask your Alcoa distributor or Alcoa sales office for your free Alcoa Conversion Calculator . . . which makes cost conversions from brass to aluminum and computes costs quickly . . . and your free Alcoa Screw Machine Stock Estimating and Operating Data Book, a comprehensive, easy-to-use book of technical data on aluminum screw machine stock. Get full information on other Alcoa alloys: 2011-T3 or -T8 for faster cutting, 6061-T6 or -T651 for superior finishes, excellent joining characteristics and extra corrosion resistance. Aluminum Company of America, 846-G Alcoa Building, Pittsburgh 19, Pennsylvania.

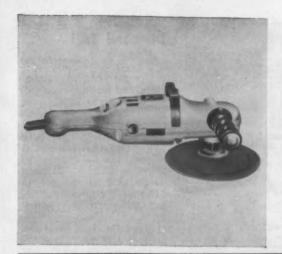
GET ALL THESE BONUSES WITH **EVERY ALCOA ALLOY:**

- Wide range of stock sizes for important price advantages.
- Guaranteed market for up to 60 per cent of your Alcoa Aluminum turnings and borings.
- Extensive mill and distributor inventory to meet all requirements.
- Chamfered ends at no extra cost.
- Specific 12-ft lengths at no extra cost (for rounds up to 23/4 in.; hexagons up to 2 in.).



ALCOA ALUMINUM

SCREW MACHINE STOCK

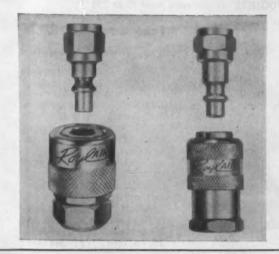


Sander

Has Safety Design

Portable electric sander with die-cast aluminum hous-ing has reversible side handle to operate by right or left hand. Plastic saddle tool rest prevents marring of work. Switch is recess-mounted to prevent accidental operation.
A companion polisher is

Price: \$65 (sander or pol-isher). Delivery: immediate. Black & Decker Mfg. Co., Towson, Md. (PW, 7/11/60)



Couplings

Are Compact

Couplings have retractable sleeves and 360 deg. swivel action. Compact in design, the devices are recommended for use in shop air line and light pneumatic tools, and are available in 1/4 in. and 3/8 in.

Price: approx. \$1.75 and

\$2.60. Delivery: immediate.
Airaterra, 620 Paula Ave.,
Glendale 1, Calif. (PW, Glendale 7/11/60)

VinylSheetsControlAcoustics, Lighting

Chelsea, Mass. — Contrex of vinyl perforated with tiny holes. Company here has produced a rigid vinyl sheeting that "solves with Geon vinyl latex is laminated the problem of acoustical control to both sides of the sheet to form

Soundsheet consists of a sheet tain.

Contrex of vinyl perforated with tiny holes.

the problem of acoustical control to both sides of the sheet to form in rooms with over-all ceiling lighting systems."

The new product, called Soundsheet, is adaptable to most existing over-all lighting equipment and provides light diffusion as well as sound control.

Soundsheet consists of a sheet some in a variety of colors and are said to be easy to main-

Investment Casting Size Increased

Groton, Conn.—The Arwood Corp. has developed a new proc-ess that boosts the maximum size of an investment casting from ounces to pounds. The new ceramic shell process can handle virtually all castable alloys in sizes up to 100 lb.

In addition to the size increase,

Arwood claims the new technique can:

• Make parts with far more in-

ricate coring.

• Produce shapes that can't be

made by any other method.

• Give a finer grain structure than other casting methods.

• Produce a better and more

consistent surface finish.

• Cut down on required finish-

ing operations.

In conventional solid mold investment castings, the wax pat-tern is surrounded or "invested" with a ceramic material. The wax is then melted out, leaving a cavity into which molten metal

is poured.

The new shell process makes the mold by dipping the wax pattern into a ceramic slip, then draining to obtain a uniform coating. The coated pattern is covered with a fine refractory grain and then dried for 1½ hr. Successive layers of ceramic are added until the required thickness is obtained. ness is obtained.

After dipping, the shell is dried, heated to melt out the wax, and fired at 1,600 F for 30 minutes. The mold can be cast di-rectly from the firing oven or cooled and reheated prior to pouring.

Arwood is producing the ceramic shell castings at all five of the company's plants: Brooklyn; Groton, Conn.; Tilton, N. H.; and Los Angeles and LaVerne, Calif.



CERAMIC SHELL investment casting process can make large and co plicated parts in variety of metals and alloys and in sizes to 100 lb.

• • • We have recently added 65 new trailers, traded an additional 204 trailers for the newest models, and increased our pick-up fleet. New terminals are being built at Charlotte and Baltimore-Washington. It's an "extra base effort" by the Mason and Dixon team to provide you with today's finest motor freight service. Ship Mason and Dixon the purchasing agent's partner when deliveries are important.



MAIL THIS AD* for Blockson Catalog of

Get this handy BUYING GUIDE listing a wide selection of Sodium Phosphates (and other Blockson Chemicals)



BLOCKSON CHEMICAL COMPANY

Olin Mathieson Chemical Corporation



Here are lifetime steel benches that thrive on hard usage. Tops won't crack, splinter, gouge or become oil soaked. Accessory equipment includes shelves, back and end stops, drawers, shelf risers and electrical outlet strips. Gray baked-on enamel finish. Also available—hardwood tops and pressed wood over steel tops.

Write for free 92-page Lyon Steel Equipment Catalog.

LYON METAL PRODUCTS, INC.

Where Can I Buy?

Some products are easy to locate, others difficult. Perhaps you can help one of our readers who knows exactly what he wants but doesn't know where to get it. And keep in mind that you can make use of this PURCHASING WEEK service at any time.

While you are answering our reader's request, would you also send up a carbon copy of your

"We would like to locate a source for descriptive data on Army-Navy identification num-

R. Russell Butler, Purchasing Agent Cleveland Electric Co. P. O. Box 5097 South Jacksonville 7, Florida



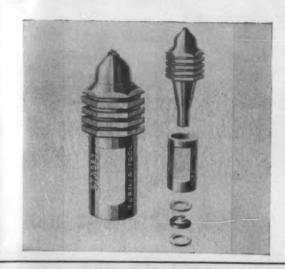
Foot Guard

Attaches to Shoelace

Safety guard designed to supplement protection given by steel-toe safety shoes at-taches through shoe laces, and does not interfere with the flexing of the wearer's ankle. Of stainless steel, the adjustable guard has a cushion padding of neoprene

Price: \$7.50 a pair. Deliv-

ery: immediate.
Albert W. Pendergast Safety Equipment Co., Tulip and Longshore Sts., Philadelphia 35, Pa. (PW, 7/11/60)



Diamond Tool

Easy to Set

Operator can rotate dia-mond tool for dressing grind-ing wheel up to 360 degrees to maintain maximum accuracy. Diamond can be turned without upsetting original tool setting and while machine is

in operation.

Price: \$8.21 (.30 carat weight, special quality) to \$220 (3.50 carat weight, select quality). Delivery: immediate

Staset Co., Inc., West Orange, N. J. (PW, 7/11/60)

Pittsburgh Plate Glass **Builds Research Center** To Develop New Finishes

Springdale, Pa. — Pittsburgh Plate Glass Co. has begun con-struction of a new wing to the Paint and Brush Div. Research and Development Center here.

The new unit, scheduled for completion in December, will house the trade sales development laboratory, currently located at Milwaukee. Paint fields to be explored are household and consumer finishes.

sumer finishes.

G. J. Berghoff, division vice president and general manager, announced that the move was designed to bring the project nearer to the company's Pittsburgh headquarters. He said that objectives of the research and development program are industry. velopment program are industry leadership in new product lines and improved quality control on existing products.

Kawecki Diversifies Line

Boyertown, Pa. — Kawecki Chemical Co., processor of rare metals, has purchased 50% of the common stock of Penn Rare

Metals, Inc., Bucks County, Pa., in a move to diversify its line.

The companies will continue independent production and research operations, but Kawecki will take an active part in Penn's will take an active part in Penn's management and will act as its

exclusive sales agent.

Kawecki produces rare metals and compounds such as tantalum, columbium, selenium, titanium, boron, zirconium, and master base alloys like aluminum. Penn produces germanium, cesium, and rubidium metals and salts and other metallic compounds.

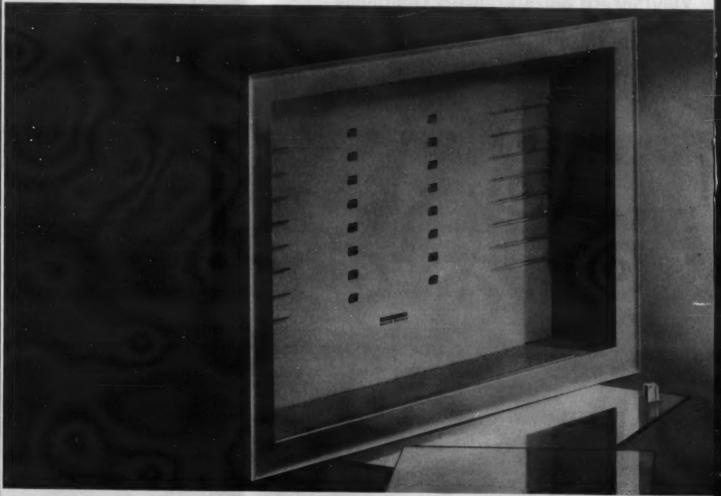
WHERE-TO-BUY

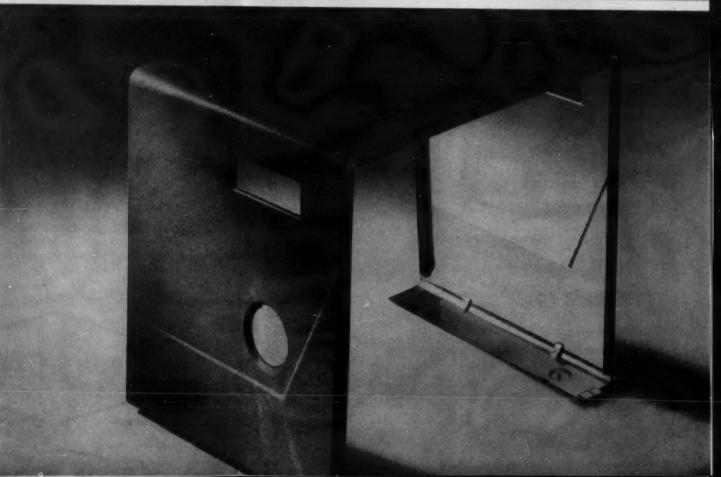
CHARCOAL

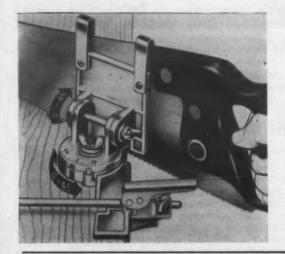
Elin carbonized from select hardwoods. Lump, crushed, screened, sized. Bagged or Bulk. C/L or LCI.. OHIO VALLEY CHARCOAL COMPANY 1223 N. Celumbus St. Lancaster, Ohio

This WHERE-TO-BUY section is a spe siring advertising of new equipment, or merchandise in space units lier than the minimum run of book display space. Space is available in this section in units from one to six inches. For low rates, Write:

Box 12, New York 36, N. Y.







Miter Gage

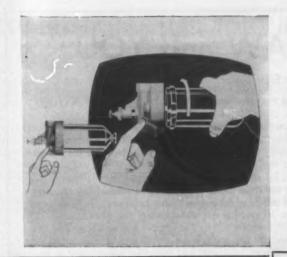
Uses Ordinary Saw

Miter gage has saw back-ing plate which rotates left or right for angle cuts, and backward for compound miter angles. Swivel base of device permits mitering from 90 deg. to 45 deg. Device uses ordi-nary saw to handle wood, metal, or plastics.

Price: \$6.95. Delivery: im-

mediate.

Nielsen Saw & Mfg. Co., Midwest Regional Office, P. O. Box 277, Matteson, Ill. (PW, 7/11/60)



Lubricator

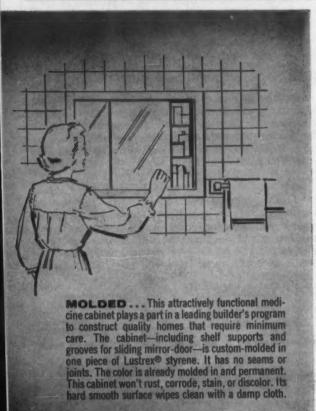
Handles Air Tools

Air line device provides lubrication for continuous compressed air operated tools and equipment from a bowl holding 12 oz. of lubricant. Lubricator is available in 1/4 in., 3/8 in., or 1/2 in. female pipe threads, for use at temperatures below 120 F and pressures below 150 psi.

Price: \$11.95. Delivery:

immediate.

Wilkerson Corp., 1711 W. Girard Ave., Englewood, Colo. (PW, 7/11/60)





Monsanto

PLASTICS CAN **WORK WONDERS** FOR YOUR P&L

Plastics can lower manufacturing costs, improve product performance, increase consumer acceptance. Some times one or another; many times, all profit-making three!

Custom-molding the medicine cabinet is a case in point. It eliminates the need and cost of multiple parts. It assures close tolerances with minimum finishing. Molded-in colors eliminate expensive enamel spraying and baking. It mass-produces "quality" at low cost.

The air-cooler capitalizes on the decorative and protective qualities of plastics, the strength of metals, and the fabricating short cuts of vinyl-on-metal. Chairs, desks, luggage, walls, and partitions are some of the many other products now being made of this versatile new material.

New and improved families of plastics are making profitable things happen in many manufacturing fields. Let two new Monsanto booklets bring you up-to-date. Write for your free copies of "How To Buy Custom Molded Plastics," and "Vinyl-on-Metal," to Monsanto Chemical Company, Plastics Division, Room 765, Springfield 2, Mass.

MONSANTO ACTIVATOR IN PLASTICS

Industry News In Brief

Allis-Chalmers Acquisition

Milwaukee, Wis.—Allis-Chalers Mfg. Co. has invaded the field of automation by acquiring control of Consolidated Systems Corp., Monrovia, Calif., from Bell & Howell.

The move places Allis-Chalmers in the position to manufacture controls for the expanding field of automated production tools, in addition to its regular line of industrial equipment.

Consolidated, in turn, gets a strong foothold in the industrial instrumentation market, where

instrumentation market, where formerly it had confined itself to controls for the scientific and military fields.

Consolidated, a subsidiary of Bell & Howell's Consolidated Electrodynamics Corp., has been a pioneer in the design and manufacture of analytical, data processing, measuring, and high vacuum control equipment.

Clark Expands

Battle Creek, Mich. -- Contruction has begun on a major ex-pansion of Clark Equipment Co.'s Industrial Truck Division plant

The expansion will provide more room for fabrication of big attachments for heavy capacity fork trucks. New machinery, in-cluding 6 ft. shears, an 8 ft. brake press and shot blasting equipment will be installed in the 14,000 sq. ft. addition.

A second expansion at the main assembly plant will provide 21,000 sq. ft. of additional space for manufacture of container-handling trucks, straddle carriers and heavy-duty lift trucks.

Beckman Moves Office

Palo Alto, Calif. — Beckman Instruments, Inc. has transferred its midwestern sales and service headquarters to larger quarters in Chicago. The firm's regional office is now located at 7360 Lincoln Avenue.

Expansion Completed

Grand Rapids, Mich. — Hanson-Van Winkle-Munning Co., has completed an expansion program which tripled its output of electroplating and metal finishing chemicals.

The company added two reactors, filtration equipment, and mixing tank which brings capacity to 45,000 gallon per month.

The Fine Print of Purchasing

The LAW and YOU

LOOK BEFORE YOU LEAP

Ignorance of the law is no excuse—and neither is failure to read the terms of

The law says it's up to you to learn the contents of an agreement before you sign on the dotted line. Unless there's evidence of fraud, your signature is binding because you are conclusively presumed to know the contents of the contract. In some states, however, you may void a contract if the other party fraudulently gets you to sign by relying on his statement as to its contents.

That means you can't slide out from under the terms of a contract by claiming a bad deal unless you can show mistake, duress, or undue influence. Take this case: Buyer contracted to purchase 10 one-hp. air conditioners for \$1,000 each. The buyer didn't bother to ask the manufacturer's list price-it was \$200. The court held that the buyer was bound by his bargain—even though it was a bad one. The result could have been different, however, had the seller represented to buyer that list price was \$1,000.

Your buy-contract with seller may consist of more than your purchase order, courts often rule. Example: Buyer refused to pay for loading devices damaged in shipment, but seller disclaimed responsibility on the grounds that he had given buyer a price list (prior to the sale), which set forth "Conditions of Sale" on the first page. Among these conditions was the statement: "We are not responsible for damage to equipment in transit." The court held that risk of loss was on the buyer, who, by placing his order was held to have accepted the "conditions" on the price list

on the price list.

you buy white or pastel plastics parts ...get the facts



a new service that insures purity of color in urea and melamine parts

Chicago Molded Products Corporation

Chicago Molded Products Corporation is now devoting one entire plant exclusively to this unique and economical service which provides the highest degree of cleanliness in the production of delicately colored plastic parts.

Here you will find totally enclosed compression presses; molding and material rooms that are air-conditioned, temperature controlled, air-filtered; special protective material handling equipment. All this, combined with "White Gloves" treatment in every phase of molding, finishing and inspection can only result in maximum cleanliness and purity of color in the finished product.

This service is important to every buyer of white and pastel plastic parts. Yet it costs nothing extra.

Ask for this FREE booklet Ask for this FREE booklet
It tells the "White Gloves"
story . . illustrates and describes the entire operation
. . . shows the lengths to
which we have gone to provide this special service.
Write for your free copy today or, better yet, phone
us . . . DIckens 2-9000.

RODUCTS CORPORATION

DELIVERING THE GOODS

Mutuality of obligation is essential for a valid sales contract. Both buyer and seller must be bound to do som thing. A promise to sell on one side and a promise to buy on the other meets this requirement.

But where no time for delivery is specified, a sales contract may be void for lack of mutuality, even though there is a promise to sell and a promise to buy

However, if the contract can be construed as calling for delivery within a reasonable time, it will be valid. A contract also is binding where the time for delivery is fixed by custom.

In a recent case where the sales contract called for delivery in several shipments, the time for only one of the shipments was specified. The court said the contract was enforceable as to the shipment for which the time of delivery was sepicfied but void as to the others.

Play it safe-specify when delivery to be made.

Does your buy contract excuse seller for default or delay in the delivery of goods because of an embargo? Generally the seller is liable for his delay or

Defense Contract Case Pits Arsenals vs. Private Plants

Washington-A test case on production in private plants versus government arsenals is developing in the investigation of a \$34.4-million contract for making armored personnel carriers.

A House armed services subcommittee

and the General Accounting Office are looking into award of the contract to Food Machinery and Chemical Corp. of San Jose, Calif. Rep. Charles A. Vanik (D-Ohio) charges that the carriers could have been made in the new idle Cleveland. have been made in the now-idle Cleveland Arsenal at a saving to the taxpayers of \$6.5-million.

In question are two conflicting policies on use of government arsenals. One statute says the Army shall use government plants where it is economical to do so. But a Budget Bureau directive says private plants shall be used unless it is chown to be uneconomical. shown to be uneconomical.

Results of the current investigation-

could affect future contract awards

In December, four companies bid for the contract, but only the Cadillac Di-vision of General Motors, which had previously built vehicles in the Cleveland Arsenal, proposed to use that plant. default. However, even where the contract excuses the seller, he is not excused from delivery where an embargo makes delivery merely difficult but not impos-

Note: Seller is excused for performance where it is legally impossible by reason of some action taken by authority of law, i.e., wartime embargo. But it must be a United States law. Seller is not excused because of a foreign law nor is he excused where the impossibility is temporary or arose before the contract

WHAT'S HAPPENING IN THE STATES

Tax ruling: Merchandise in Sears, Roebuck & Co.'s Iowa catalogue stores is subject to local property taxation, according to an Iowa Supreme Court ruling. The court rejected Sears' contention that the goods were still in interstate com--and thus free of any state or local levy-because they were shipped in

from Chicago and held for pickup by customers.

Fair Trade: Ohio's new "Fair Trade" law, which gives manufacturers the sole authority to fix minimum retail prices, was held unconstitutional by the Hamilton County Common Pleas Court. The ruling was made in a suit filed by Helena Rubinstein Inc., seeking to restrain distributors from selling its products at lower than list prices. The court, in denying the injunction, held that the Ohio legislature had unlawfully delegated its police power to the manufacturer by allowing him to set minimum retail prices.

PERSONAL DEDUCTIONS

Medical Costs: If you support an over-65 parent, a new law gives you a break on income tax deductions for their medical costs. Now you can deduct all medical, dental, and hospital expenses incurred by you for your parents up to the top limit of your allowable medical deduction (except for drugs and medicines). Thus you need not figure medical costs of over-65 parents in with your own medical expenses which aren't deductible until they top 3% of your gross in-

Off again, On again: Treasury has reversed itself again on employment agency fees. For many years, the Treasury allowed one exception to the rule that expenses incurred in seeking income are not deductible. This exception applied to the fee you paid an employment agency for getting you a job. But last month, the Treasury ruled agency fees would no longer be deductible. Employment

agencies protested strongly.

The Treasury now takes it all back. Agency fees paid for a successful job placement will continue to be deductible.

(The above material was prepared by Sydney Prerau of the J. K. Lasser Tax Institute for PURCHASING WEEK. Reader inquiries on general tax and legal aspects of purchasing will be discussed here in accordance with space limitations and applicability.)



..THROUGH THE FACILITIES REGISTER



ASK THE MAN FROM THE NORTHERN

to put you in direct contact with the manufacturers whose wide variety of production is available to you. An accurate plant by plant, machine by machine study has been made and electronically tabulated by Northern Natural Gas Company and other natural gas utilities serving the 5 Northern Plains States. Qualified producers are being referred to industry quickly and without obligation.

To utilize this service write Randall Klemme, Vice Pres., Northern Natural Gas Company, Omaha 1, Nebraska, or call WEbster 7600.



SERVING THE NORTHERN PLAINS NORTHERN NATURAL **GAS COMPANY**

GENERAL OFFICES: OMANA, HEBRASKA

This Unique Service is Yours... Simply For the Asking

Vendors Blue-Pencil 'Fictitious' Discounts

than wasting time in price negotiations.

Other firms, such as Westing-

other hrms, such as westinghouse, are expected gradually to
follow GE's lead.

Steel Warehouses: The unprecedented number of price
changes posted in recent weeks
by the steel warehouse business provides more evidence to support the existence of a trend toward "pricing realism."
Steel Corp.'s supply di U.S Steel Corp.'s supply division, which sparked most of the changes, called its finalized handbook prices "a new concept in steel warehouse pricing" (PW, steel warehouse pricing" June 27, '60, p. 1).

A company spokesman likened the new system to grocery store pricing. Fast-moving hot rolled carbon steel products will carry substantially lower price tags, while slower moving products will cost more than in the past. An in-dustry source told Purchasing Week that the new price pattern is an attempt to lure more busi-ness during the current lull by making warehouse steel more at-tractive to mill buyers, and to compete on firmer ground with

foreign steel.

• Fastener Industry: Leading fastener makers are continuing to tailor their major pricing policy revisions made late last year. The changes eliminated the complicated system of chain dis-counts and installed a solid system of list price with one simple

discount. One fastener company ex-ecutive said that previous list prices had become so outmoded they were actually fictitious and bore no resemblence to actual

costs. This led to the series of confusing chain discounts."

"With the current system of realistic list prices and simplified discounts," explained a spokesman for Pittsburgh Screw & Bolt Corp. "It's very simple to change Corp., "It's very simple to change prices when necessary by simply altering the discount, rather than recalculating list prices for thou-

Copper & Brass Mills: Two segments of this industry are attempting to put the lid on the rapid price fluctuations that have occurred over the past few months.

Major copper magnetic wire makers, faced with "sniping" competition from smaller wire makers, faced with "sniping" of discounting from "list" as a competition from smaller wire manufacturers, revised their list prices downward last week by 6% to 12%. They had been keeping the smaller makers in check by offering discount on top of discount until copper prices got (4) Inadequate Market Knowl-

covered pricing policies have fallen victim to 20th century competition." They currently have "cleaning" operations in full in full

Most mills already have revised their "extra" charges, which generally made for lower prices. And Bridgeport Brass, among others, is revising some of its dis-

● Plumbing Supplies: Manufacturers in this industry are slowly coming around to "realslowly coming around to "realistic pricing." Valve makers, for example, spent four years study-ing and whys and wherefores of a changeover and finally elimi-nated absurd list prices for mar--with ket-level prices—with some slight variations for small disket-level

But there is ample room for improvement, according buyers. Steel nipples, for instance, list prohibitively. The result is an initial discount of 75% usually followed by another of from 5% to 10%—so that the buyer ends up paying about 13¢ for a nipple listed at \$1.00.

In interviews with purchasing executives across the country, PURCHASING WEEK reports found evidence of this "realistic pricing" trend slowly developing in numer

ous product areas.
P.A.'s noted more down-toearth prices being quoted in the hexagon-cap screw industry, on fractional horsepower motors, on rubber supplies, paper supplies,

rubber supplies, paper supplies and some mill supplies.

"And it's about time," commented the P.A. for a large Cleveland concern. "A list price the some something the seller had become something the put on a piece of paper that didn't always have too much relation to his cost. We didn't pay a lot of attention to it, but determined prices from past purchases and through other negotiations."

Buyers agree that four major factors fed the fictitious list and multiple discount trend:

(1) Inflation—Many post-war prices remained as "list with any reductions coming only as discounts.

(2) Ample Supply—Keen competition encouraged greater use of discounting from "list" as a

Brass product mill officials, ad-mit some of their "cobweb- period of "feeling out" before before final prices could be stabilized.

But now reverse factors are taking hold (see page 1 chart) and hence the current trend.

And, although not clearly evident on the surface, another important element behind this trend is the growth of "buyer technical sophistication." This increase in technical knowledge, supplecount policies with an eye toward mented by engineering and other simplification.

mented by engineering and other departmental data, has rapidly brought true costs into focus.
"I believe there is a definite

"I believe there is a definite move underway throughout industry in general to develop a more realistic price structure by erasing so-called fictitious list prices and publishing prices closely in balance with the actual market value of their product," commented Lindley Jones, purchasing agent for Dole Valve Co., Chicago

Chicago.

"Although this movement is added, "it's not underway," he added, "it's not so widespread as it should be, and in has come about mostly as a result of certain indus-tries 'forcing' the issue, and not accepting the fictitious price pictures suppliers come up with. As common sense increases with-in industry in general, this trend

will become more predominant." Some buyers would like to see many industries go to a system of "net pricing," rather than stressing realistic list prices.

"We have apple avidence to see

We have ample evidence to show that list prices on many commodities just doesn't make sense," said the P.A. for Louis Allis Co., Milwaukee. "They get out of hand. A net price with quantity breaks makes more sense than a string of percentage discounts." discounts.'

In light of this trend toward realistic or market-level pricing, PW asked buyers how much "air" or leeway they thought should remain between the list and actual purchase price in order to leave room for fair competitive price negotiations.

While most agreed there was

no general answer to cover all products, many buyers pegged a good "negotiating level" between 5% and 20%. But, as one West

Coast P.A. put it:
"I would welcome the situation where, when the seller quotes a price, I could be reasonably sure it is close to reality. It would eliminate a good deal of wasted time in price squabbling and make for more time to discuss the more important things involved in the purchase."

Late News in Brief

Esso Warns of Fuel Shortage

New York-Esso Standard, division of Humble Oil & Refining

New York—Esso Standard, division of Humble Oil & Refining Co., has warned its residual fuel oil customers of a possible shortage of heavy fuel oil along the East Coast during the third quarter. The import allocation of 250,000 barrels a day, Esso told its customers, is 10% less than the same period in 1959. "Since the allocation makes no allowance for the accumulated year-to-year decline in domestic production, the total supply for East Coast consumers in the third quarter will be 100,000 barrels a day less than in the comparable 1957 period."

Brass Mills Cut Price Tags

New York-Six major brass mills announced last week they would neet the new Phelps-Dodge Copper Products Co. price cut on 2,000

American Brass Co., Chase Brass & Copper Co., Bridgeport Brass Co., Scoville Manufacturing Co., Wolverine Tube Div. of Calumet & Hecla, and Lewin Mathes Div. of Cerro de Pasco all said they would go along with the P-D move, which put a 5% discount on quantities of 2,000 lb. or ft. of tubing and an extra 3% for quantities over 10,000 lb. or ft. over 10,000 lb. or ft.

Firm to Market New Can

New York-American Can Co.'s Bradley-Sun Div. announced last week it would introduce a new 6-oz. seamless aluminum aerosol can on the market.

The new can, a Bradley official said, currently is being turned out on high-speed equipment especially designed to manufacture the new can at a rate of 35-million units/year.

ICC Okays 3-Way Merger Talks

Washington—The Interstate Commerce Commission approved last week a New York Central Railroad request to become party to the current Chesapeake & Ohio and Baltimore & Ohio merger talks.

The New York Central has offered to acquire a half interest in the B&O, whose board of directors will meet this week to consider both the Central's proposal as well as a similar one by the C&O.

U. S. Refuses to Intervene

Washington—The U.S. Dept. of Commerce rejected last week a plea by American exporters for government intervention to lower ocean freight rates.

Allegheny Ludlum Sets Up Marketing Program to Help Tool Steel Buyers

lum Steel Corp. has inaugurated a unique marketing plan aimed at toughness, size stability, machina unique marketing plan aimed at increasing tool steel sales by saving buyers time and money.

The plan is designed to make it

easier for a customer to select the grade of tool steel needed and to assure him of it's availabilitythus promising lower inventories.

The program presents 18 grades of tool steel, which the producer says will handle 96% of all tool steel applications. The plan, called "Steelector Proplan, called gram," concen concentrates on a basic set of tool steels that are listed on three cards that show compar-

Pittsburgh - Allegheny Lud-1 ative ratings of five basic steel ability, and red hardness.

The 18 selected grades are dis-tributed among three categories -hot work, high speed, and tool room steel-which accounts for the three cards.
Without the Steelector cards,

the company said, a customer may have to consider steels cov-ered by more than 1,000 brand names—mostly duplications—to find the tool steel best fitted for his need.

In addition to the card charts, data stock lists provide specific information as to characteristics, heat treatment, applications, and availability of the Steelector grade chosen.

With exceptions plainly shown on data stock lists, any grade listed on the chart can be obtained quickly at the warehouse level. Allegheny Ludlum said all Steelector grades will be adequately stocked.

Milton J. Fenner, director of the firm's tool steel sales, pointed out that the new program doesn't include certain special grades of tool steels but said the firm will continue to offer service on a mill basis for such grades, as well as limited warehouse service.

The "Steelector Program" is

aimed at the user who buys at the warehouse as compared with the big users who order large tonnages directly from the mill.

Weekly Production Records

	Latest Week	Ago	Year
Steel ingot, thous tons	1,218	1,510*	2,252
Autos, units	140,319	137,641*	127,217
Trucks, units	25,718	25,720*	27,231
Crude runs, thous bbl, daily aver	8,295	8,231	7,936
Distillate fuel oil, thous bbl	12,959	12,688	12,768
Residual fuel oil, thous bbl	5,988	6,106	6,682
Gasoline, thous bbl	29,929	29,055	27,402
Petroleum refineries operating rate, %	84.9	84.3	82.0
Container board, tons	160,941	161,484	148,388
Boxboard, tons	91,092	106,002	82,152
Paper operating rate, %	95.1	100.1*	96.0
Lumber, thous of board ft	253,035	249,942	260,176
Bituminous coal, daily aver thous tons	1,556	1,483*	1,533
Electric power, million kilowatt hours	14,247	14,213	13,200
Eng const awards, mil \$ Eng News-Rec * Revised	518.7	684.4	578.4

GE: Competitors Fan Strike Fear

(Continued from page 1) ion of Electrical Workers' threats of a strike to back up their demands has also caused some inventory buildups by buyers. Both GE and Westinghouse

Electric Corp. will begin nego-tiations with the IUEW in mid-August for new contracts. Present contracts expire in October.

Among the current union pro posals, presented three weeks ago, are a 3½% wage increase, supplementary unemployment benefits, holiday and vacation provisions, sick pay provisions, and elimination of employee contributions to pensions and insurance

While Westinghouse has not yet replied to the demands. GE called them "astronomical," and estimated they would cost "a total of at least a half-billion dollars and perhaps as much as threequarters of a billion dollars in two years."

GÉ pegged the cost "for just GE pegged the cost "for just these few out of some 40 demands" at \$407-million. The terms, described as "job destroying," were presented by James B. Carey, president of the IUEW, which represents the largest group of organized GE employees. GE of organized GE employees. GE must deal with a total of 100 unions, however, before a final settlement can be reached.

Purchasing Perspective JULY 11-17

(Continued from page 1)

Example: Just before Congress adjourned for the nominating conventions, a Senate subcommittee reported favorably on a bill to provide federal review of price-wage hikes. Real intent of the measure: to be ready for any steel price increase after the election.

The measure may never get beyond the committee stage, but the situation demonstrates how Congress, through its investigative and law-making powers, can exercise price-inhibiting effects. Cases in point are the drug manufacturers, currently under fire from the Kefauver committee, and the steelmakers who know they will have to contend again with the Tennessee Senator following any upward price revision.

DIRECT & INDIRECT—Direct price determination by government is obvious in transportation, natural gas rates, farm and other industry subsidies, tariffs, taxes, and general procurement

But far more subtle, and frequently more important, are the more or less indirect price determinants wielded by the government. The Eisenhower budget is just one example where the entire federal budget and monetary policy was directed to containment of inflation. The Congressional influences cited above are another.

This key category of indirect determination of prices by government also includes the areas of:

Money-Activities of the Federal Reserve Board influence general finance operations and basic interest rates.

Wages-National Labor Relations Board decisions and Federal Mediation services play key roles in wage rates and other contract terms. The ability of high governmental officials to step informally into labor disputes, as did Vice President Nixon during the steel strike, also are a factor.

Stockpiles Government stockpiles of raw and finished materials spread price effects over a whole list of items through basic purchases and ultimate disposal policies.

Antitrust-The courts, Justice Department, and Federal Trade Commission all wield great powers in the price area. Business must take into account antitrust regulations and agency policies in promulgating pricing and distribution programs.

And federal legislation, such as fair trade and the current price notification bill, always remain in the background as possibilities that vary in importance according to Congressional moods and changing economic conditions.

Survey Shows Consumers Tightening Purse Strings in Fear of Recession

(Continued from page 3) stantially fewer than last year.

However, the sentiment for compact cars is still strong, and there is less tendency this year to wait for next year's models than there was in May of 1959.

• Household durables: Consumer having intentions for legge

sumer buying intentions for large household appliances also have decreased since February.

But for several items—refrig-

erators, washing machines, etc.

—they were much better than last year. For TV sets, however, intentions to buy were fewer than

year ago.
• Housing. The May survey revealed substantial increases over May 1959 in plans to improve, repair and add to homes.

But plans to buy new homes were down from last year.

The reason: 26% of the consumers surveyed thought it had become more difficult to finance a house, while only 10% felt it had become easier.

VALUE OF SURVEY

Because consumer attitudes change quickly, the value of the Michigan survey lies mainly in its indication of economic developments in the near future.

Some proofs of its accuracy and usefulness in the short run are:

• Item. The February index of consumer attitudes was up, largely because of improvement in plans to buy automobiles. This preceded a substantial upturn for car sales in April and May after the weak 1960 start.

• Item. There is a pronounced correlation between durable goods sales and consumer attitudes (see chart p. 3). Changes in direction for consumer atti-tudes tend to lead, slightly, similar changes for sales of durable goods.

• Item. Changes in consumer attitudes are quickly followed by like changes in over-all sales. Examples: A decline in consumer optimism in Oct.-Nov. 1959 was followed by a drop in seasonally adjusted retail sales for November and December; the improvement in consumer attitudes in February 1960 pres increased retail sales in March and April. The relative consurvey was accompanied by some slippage in May retail sales with reports of further weakening in

Eastern Railroads Go Into Rate Huddle

(Continued from page 1) of revenue before the settlement," said a traffic executive for one railroad, "and the new labor bill just increased the urgency of finding new ways to get more money."
A PURCHASING WEEK check of

major Eastern railroads turned up these specific solutions which will be placed before the association this week:

The New York Central will pro- such

lower than out-of-pocket costs." These commodities include fruits and vegetables, egg cases, empty barrels, "and certain bulk com-modities our competitors won't even touch.'

• Increased Charges for Accessorial Services. The Pennsylvania Railroad and other lines will propose increased charges for accessorial services

pose specific rate hikes on goods switching charges "to at least the railroads are moving "at cover our costs." • Government Relief. Most of

the Eastern roads told PW they're going to call for all their members to present a "united front" against excessive state and federal government taxation.

• Exchange of Information.

Many traffic executives believe plant modernization through installation of electronic switching controls is a major answer to current railroad fiscal woes. quickest way we can all take advantage of modern advances is to share our plant improvement information with one another.

Meanwhile, in Chicago, preliminary hearings got under way on work-rule and featherbedding problems

Members of the Eastern, Western, and Southeastern Carriers Conference Committees sat down with negotiators from four operating unions, representing 204,000 workers to discuss union demands for away-from-home employees' expenses and increased vacation provisions.

The railroads, in turn, are pressing for elimination of rules banning crews from operating through "crew change" points; through "crew change" points; revised pay standards to reflect greater train speeds; abandon-ment of the "arbitrary line" drawn between the work that may be done by road and yard crews; and an end to so-called "featherbedding" rules calling for firemen on diesels and other non-steam locomotives and standby

Congress Revives Air Force Surplus Sale Bill to Investigate

Wage-Price Hikes

(Continued from page 1)
steel price rise after the election.
The bill for the first time has picked up some powerful con-servative support. This fact as-sures that it will be an issue when Congress reconvenes next month

The fact that the Clark was given a new lease on life at a time when inflation is generally felt to be contained made subcommittee approval even more unexpected.

But supporters of the legislation have something different in mind than the broad wage-price review bills that have been introduced in Congress previously by Sens. Clark and Joseph C. O'Mahoney (D-Wyo.) and by Rep. Henry Ruess (D-Wis.).

Sen. Clark has pared down his bill so that it would be used only in specific instances involving major and basic industries that have an important effect on the over-all economy. Furthermore, Clark has cut out the provisions of his earlier bill requiring federal policies and encouragement for

economic growth.

The new Clark bill reflects the influence of Sen. William Fulbright (D-Ark.), powerful chairman of the Senate Banking Committee. What the two have in mind is to prevent a recurrence of behind the scenes Administration actions to settle major contract disputes such as that ex-emplified by Vice Pres. Nixon in the steel dispute last year. The bill in the future would re-

quire such Administration action to be conducted before a public wage-price review board for this

purpose.
"Compulsory arbitration through public opinion" sums up what the backers of the legislation are looking for. Among other things, it would prevent any off-the-record sanctions by government officials for price hikes as the city likewise is the home of the natural-rubber will be down to 600,000, the synthetic portion will whopping 1,100,000.

Bedford, Mass.-A quarter of a million dollars in surplus

Air Force property, ranging from trucks to electrical gear, will go up for bids at Hanscom Field next month.

Inspection of the sale lots begins July 18 and will continue Monday through Friday each week until the opening of bids Aug. 23.

Copies of the sale catalogue are available at the Redistribution and Marketing Offices, 3245th Maintenance and Supply Group, Hanscom Field, Bedford.

the result of an Administration-

directed wage settlement. There

were reports following the recent steel settlement that Nixon had

gone along with the industry's arguments that a price rise would

contract he recommended.

necessary as a result of the

New Firm to Make Synthetic Rubber

(Continued from page 1)
American Synthetic Rubber Co.
The deal apparently was a bare six months in the making—hastened by the fact that natural rubber today sells upwards of 42¢ lb. (see page 2), whereas the coming synthetics will have a

target price of around 35¢.

Using Phillips Petroleum processes via license, the new company will make two types of synthetics for a starter

• Polybutadiene for truck tires wire and cable insulation, belting, and mechanical rubber goods.

Polyisoprene, a direct sub-stitute for natural rubber because it has an identical chemical com-

Both are made from petro chemcials (petroleum or natural gas derivatives). Ready access

American synthetic rubber and moreover is considered a good distribution point.
American Synthetic Rubber

(whose current operations will remain separate from the new venture) was formed in 1955 to venture) was formed in 1955 to buy up the government-owned styrene-butadiene copolymer plant in Louisville. It has 28 stockholder companies in the non-tire field (among them: American Cyanamid, Endicott Johnson, Hewitt-Robbins, Rome Cable. Raybestos-Manhattan). Raybestos-Manhattan)

The products the partners will manufacture are relatively new types in a field that's been grow-ing by leaps and bounds. Here's the picture: In 1950 the U.S. consumed about 700,000 long tons of natural rubber, and 600,-000 long tons of synthetic; this year the natural-rubber figure will be down to 600,000, while

Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
INCREASES Chromotropic acid, lb		\$1.95 .1275 .20	improved demand seasonal demand
REDUCTIONS Anhydrous hydrochloric acid, Stauffer, annual of 100,000 lbs., buyer's tube trailer, lb Gum turps., So., gal		.15 .465 \$172.50 \$1.50	encouraged buyer haulage quiet demand competition incr. capacity

Avon Enlists Vendors as Members of the Team

production operation. Lord Baltimore men shown are typical of operating managers who make the conference particularly valuable. During the morning session of the conference they heard Fulton explain some of Avon's own management practices. George Bliver Avon quality control and Bliven, Avon quality control, and Sam Lambert introduced a topic that affected Lord Baltimore: color control.

LIVELY DISCUSSION

A lively discussion followed on color standards and color measurement devices. Avon's Lambert suggested that color-fast plastic suggested that color-fast plastic chips be used for comparison with printed colors on the car-tons. Frank Alcamo, Manager of the Quality Control at Balti-more noted that it's difficult for the human eye to compare color on two different materials, such as plastic and printed cardboard. But both vendors and buvers agreed that Avon and Lord Baltimore should have identical color checking methods. The outcome: they'll use both plastic disks and specially printed color

VALUABLE SOURCE OF IDEAS

The Lord Baltimore men asked questions about Avon's in-ventory policy. Tom Ford, Suf-fern production control manager, explained the inventory control system so they would have a better understanding of lead times used for suppliers and Avon's own plants. Fulton suggested that Lord Baltimore men could be

How to

"FARM OUT"

your

METAL STAMPINGS

and

MAKE MONEY.

too . . .

First you decide that inaccurate stampings cost you money, as do stampings delivered late.

Then you send prints to ETASCO for a quote. In your quote will be the advantages of an integrated operation including blanking, piercing, drawing, spot welding, etc. It's easy as that. At no obligation, send your

ETASCO'

EASTERN TOOL & STAMPING CO., Inc 122 BALLARD ST., SAUGUS, MASSACHUSETTS

-where America's first successful ironworks is located

a valuable source of ideas. on centerspread located on pages "There's room for creative thinking all along the line. A lot of you plant people can help."

on centerspread located on pages 18-19).
Fred Commerford, Plant Superintendent at the Baltimore you plant people can help.

PLANT TOUR FOLLOWS

In the afternoon, the Lord Baltimore men toured the Avon production lines and labs. They had a chance to talk over color registration and carton forming problems with the men who actually use them in production operations, or who do the incom-ing inspection work on packaging materials (see photo of discussion better.

perintendent at the Baltimore plant remarked that the confer-ence "made it possible to talk on a practical level about Avon's problems." He told Hal Fulton that "A great deal would come out of the visit. We've been trying to do a good job for Avon, but we didn't know the why behind your needs. Now we'll be able to go back and tall our plant. able to go back and tell our plant foremen and pressmen how to do

PURCHASING PARADE

(Continued from Page 14)

historic homes and buildings. His latest effort was a series of pic-tures of the famed Winterthur Gardens in Switzerland, which at-tract visitors from all parts of the world.

The buying ability of Hilary Zimont of the Ralph M. Parsons Co. (Pasadena, Calif.) plays a

ment of all types of construction. A member of the Delaware manufacturing and process equipment for warehouses, food and years, he specializes in photos of process plants, oil and gas refinment for warehouses, food and process plants, oil and gas refineries, and a wide variety of inter-national government reform projects

As a Reserve Officer, he is a Major in the Corps of Engineers with a Mobilization Assignment as a designee to the Deputy Chief of Staff for Logistics, Army General Staff in the Directorate of Co. (Pasadena, Calif.) plays a double role:

As a civilian, he is Project
Buyer responsible for procurehis civilian in the Directorate of Procurement, and a Staff Officer in the Industrial Preparedness Branch—activities all paralleling his civilian occupation.



ouched photos (above) . . . dramatic proof of Chicago-Latrobe "LO-TORK" Drill's chip breaking effectiveness. Conventional drill at left; "LO-TORK" at right. Same workpiece in each ph

FVFR!

a chip breaking drill that actually improves cutting action lengthens tool life!

CHICAGO-LATROBE "LO-TORK CHIP BREAKER DRILL

Study the tips on the two drills shown above and you will understand how "LO-TORK" Chip Breaker Drills work. A new convex shape has been engineered into the flutes. Chips meet this shoulder and are reduced instantly to manageable size without sacrificing any of the efficiency of the tool's point. At the same time the tool produces extra benefits as follows:

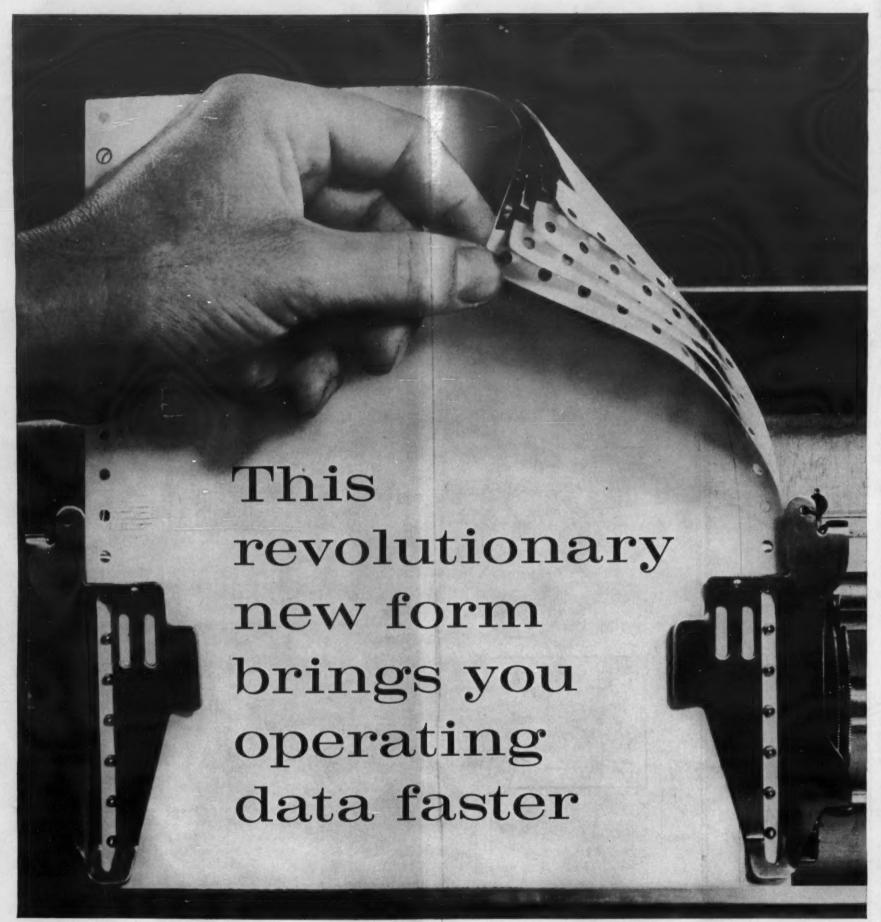
- 1. Improved lubrication at drill point.
- 2. Uninterrupted deep hole drilling.
- 3. Faster feeds. 4. Longer tool life.
- 5. New safety for operators.
- 6. Quick, easy regrinds. 7. Less power required.
- 8. Improved plant housekeeping.

"LO-TORK" is a Chicago-Latrobe exclusive, and can be supplied in any regular or special length.

Ask your Distributor OR CIRCLE NUMBER FOR FREE BOOKLET.

CHICAGO-LATROBE

425 West Ontario Street, Chicago 10, Illinois



Speediflex is a patented product of Moore Business Forms, Inc.

Faster reports permit no interruptions in machine runs. Moore's Speediflex removes much of the forms-handling trouble that has caused interruption, delay and 'down time.' It is a new positive control in achieving trouble-free runs, simplified handling and, in many cases, savings.

These benefits are due to a special flex-cut construction built into Speediflex. It lets continuous forms flow freely and naturally, with no wrinkling or tearing, and without the 'tenting' and 'peaking' that cause trouble. Printing in perfect register, on every copy, is possible because there is exact part-to-part alignment of parts at the point of writing.

These are a few of the Speediflex benefits Moore men are demonstrating in business offices throughout North America. A Moore man will be glad to drop in on you just write the nearest office.

Build control with MOORE BUSINESS FORMS, Inc. Niagara Falls, N. Y. • Denton, Texas • Emeryville, Calif. • Over 300 offices and factories throughout the U.S., Canada, Mexico, Cuba, Caribbean and Central America.



Moore Speediflex